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ABSTRACT

This hearing before the Joint Economic Committee contains statements from Members of Congress and others concerning the high youth unemployment rates and the youth transition to work. Possible ways of improvement are discussed, such as a national voluntary youth service, a civilian conservation corps, and a range of youth service training programs. The document includes several prepared statements and papers submitted for the record. (MF)

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YOUTH UNEMPLOYMENT

HEARING

BEFORE THE

JOINT ECONOMIC COMMITTEE
CONGRESS OF THE UNITED STATES

NINETY-FOURTH CONGRESS

SECOND SESSION

SEPTEMBER 9, 1976

Printed for the use of the Joint Economic Committee

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CONTENTS

WITNESSES AND STATEMENTS

THURSDAY, SEPTEMBER, 9, 1976

	Page
Humphrey, Hon. Hubert H., chairman of the Joint Economic Committee: Opening statement	1
Young, Hon. Andrew, a U.S. Representative in Congress from the Fifth Congressional District of the State of Georgia	5
Flaherty, Hon. Pete, mayor, city of Pittsburgh, Pa	13
Samuel, Howard D., secretary, National Committee on Full Employment, and vice president, Amalgamated Clothing and Textile Works Union, AFL-CIO	18
Reubens, Beatrice G., senior research associate, Columbia University	35
Barton, Paul E., senior consultant, National Manpower Institute	69
Anderson, Bernard E., professor, the Wharton School, University of Pennsylvania	93

SUBMISSION FOR THE RECORD

THURSDAY, SEPTEMBER, 9, 1976

Anderson, Bernard E.:	
Prepared statement	96
Response to additional written questions posed by Senator Javits	116
Barton, Paul E.:	
Paper entitled "Youth Transition to Work: The Problem and Federal Policy Setting"	73
Response to additional written questions posed by Senator Javits	116
Flaherty, Hon. Pete:	
Prepared statement	16
Humphrey, Hon. Hubert H.:	
Opening statement of Representative Brown of Ohio	4
Reubens, Beatrice G.:	
Prepared statement	42
Policy paper entitled "Foreign and American Experience With the Youth Transition"	46
Response to additional written questions posed by Senator Javits	112
Samuel, Howard D.:	
Prepared statement	22
Stern, Barry E., education policy analyst, U.S. Department of Health, Education, and Welfare:	
Paper entitled "Job Placement Assistance for High School Students"	118
Young, Hon. Andrew:	
Response to Chairman Humphrey's request for more details regarding proposed legislation for a national voluntary youth service	7

YOUTH UNEMPLOYMENT

THURSDAY, SEPTEMBER 9, 1976

CONGRESS OF THE UNITED STATES,
JOINT ECONOMIC COMMITTEE,
Washington, D.C.

The committee met, pursuant to notice, at 9:35 a.m., in room 1318, Dirksen Senate Office Building, Hon. Hubert H. Humphrey (chairman of the committee) presiding.

Present: Senators Humphrey, Javits, and Percy; and Representatives Reuss and Moorhead.

Also present: William R. Buechner, G. Thomas Cator, Lucy A. Falcone, and Louis C. Krauthoff, professional staff members; and Charles H. Bradford, George D. Krumbhaar, Jr., M. Catherine Miller, and Mark R. Policinski, minority professional staff members.

OPENING STATEMENT OF CHAIRMAN HUMPHREY

Chairman HUMPHREY. Congressman Young, you will be our first witness, followed by the mayor of Pittsburgh, Mr. Flaherty, followed by Mr. Jackson and Mr. Samuel.

I have a brief opening statement that I want to make. And the reason I do so is because I consider the subject matter that we are going to discuss today of priority on the national agenda.

The purpose of this hearing is to examine the causes and the effects of high unemployment, not only high unemployment but I say critically high unemployment, among our Nation's youths, and the problems that our Nation's young people face in the transition from school to work, or to put it more simply, the problem they have of finding any kind of meaningful work. I hope this hearing will result in some proposals designed to deal with these problems.

This is a particularly difficult time for a young person to be planning a career and looking for work in this country.

Teenagers and young adults suffer from higher unemployment rates more than any other group of workers. Last Friday Julius Shiskin appeared before this committee and announced that the unemployment rose in August for the third straight month. Now, this was not only an unemployment increase in the overall general figures but the important point of Mr. Shiskin's testimony was that unemployment in all categories had increased, among adult males, among women among our young people.

For example, in August the unemployment rate for teenagers aged 16 and 17, was 22½ percent, up from 21.9 percent in May. For teenagers 18 to 19 years old the August unemployment rate was 18 per-

cent, compared to 16.4 percent in May. And for youths aged 20 to 24 the unemployment rate was 11.8 percent compared to 11.1 percent in May. For black teenagers, the hardest hit group, unemployment in August hit 40.2 percent, up from 38.5 percent in May.

Let me inject here that not long ago I was privileged to be at the National Urban League Conference in Boston. And Vernon Jordan, the executive director of the Urban League, a man for whom I have the highest regard and who I believe commands the respect of all thoughtful and considerate Americans, told me that the unemployment rate among black youth was as high as 60 percent, that the Government figures are way below what the facts, the real facts are.

I mentioned this in this regard because I want this staff to check with the Bureau of Labor Statistics as to why is there the discrepancy between the Government figures on black teenage unemployment and the Urban League. The Urban League is a very reputable organization. And for there to be a variance of over 20 percent in the figures I think is something that demands our investigation, and at least some reconciliation of the statistics.

So we see that for black teenagers unemployment went up again. And in many of our major central cities unemployment among black teenagers far exeeds this national figure.

These extraordinary unemployment rates mean that there are almost 3½ million young workers under the age of 25 that are unemployed.

Now, that is a national disgrace. And if I get nothing else out of this meeting today it gives me a chance to get the therapeutic effect of an emotional explosion. I believe that it is incredible that a Government will sit around paralyzed in its own indifference with a natonal unemployment rate, or a natonal unemployment figure officially which undoubtedly is the minimum figure that they can dig up, of 3½ million young workers of the age of 25 or under. Here are young people in the full vitality of life. These young people comprise almost half the total number of American workers who are unemployed.

For our Nation's economy this is a terrible waste of millions of young people who have unlimited amounts of energy and desire and talent, and who want to become productive and useful members of our society.

And I am sure that we are in for about 2 months of political rhetoric about the high crime rate and what we ought to do about crime. And I am confident that what we will find out if we look at it—and I hope that our study will be completed, may I say to the members of the committee—is the relationship of the social impact of unemployment, and particularly the impact of unemployment upon youth crime.

For our young people these figures that I have given represent a terrible waste of a valuable opportunity to hold a job, to develop job skills, to learn job discipline, to learn the ins and outs of the job market, and quite often to earn the money needed to stay in school or stay out of trouble.

Of course, if they don't have a chance to earn the money on the job they get the money on the street. And maybe one of these days this Government of ours will wake up to the fact that it costs a lot more to apprehend somebody and take them to trial and put them in jail than it does to provide useful work.

It is a terrible waste for our Nation's employers, for the Nation's employers are going to find that the young people they need to expand production will be less well trained, less attuned to the needs of the work place, and costly to train for a specific job skill.

From any point of view our neglect of high unemployment among youths is a very misguided policy. And I particularly am appalled and discouraged by this administration's total lack of concern for and responsibility toward the job needs of the country's young people.

We have to tackle this problem, and we must start doing it now. And I hope that this hearing will provide some fresh ideas and programs and policies that could be undertaken at the Federal, State, and local levels, using both public and private sectors, to create millions of useful and productive job opportunities for our young people, and to improve the job counseling and job information and job placement services available to our Nation's young workers.

And I would like to make one suggestion. As a result of the forest fires which have afflicted the Nation, we have lost about 12,000 acres of virgin timber in northern Minnesota, and maybe more than that, I haven't kept track of it lately. We need reforestation. We can put 1 million young men to work tomorrow on reforestation, right now. But we sit around here and can't even count trees, much less see the count of the unemployed.

Now, we have got some wonderful witnesses here this morning. And I am not going to take any more time and get wound up on this, because I am angry and disturbed. Our witnesses, as I said, include the very able and most effective young Congressman from Georgia, and Mayor Pete Flaherty, an old friend of mine, the distinguished mayor of Pittsburgh.

I am looking forward to seeing my friend, the Reverend Jesse Jackson of Operation PUSH in Chicago. Mr. Howard Samuel, another friend from the Amalgamated Clothing and Textile Workers Union. Beatrice Reubens of Columbia University; Bernard Anderson of the Wharton School; and Paul Barton of the National Manpower Institute.

And I want to say that if any other member of the committee has a statement they wish to make, now is the time to do it.

Representative Moorhead.

Representative MOORHEAD. Mr. Chairman, I want to congratulate you for holding these hearings. I think you have put your finger on a most difficult and important problem, because the most important asset of this Nation are our youth. And I am discouraged by the thought that people who graduate, not the dropouts, but the people who graduate are still on the unemployment lists. I think they are permanently discouraged. And we have got to do something about it, because this is going to be a burden to the Nation, not only in the immediate future, but as long as they are unemployed, and can be converted to productive citizens and not become a burden on society.

I welcome my colleague, Mr. Young, whom I meet regularly. And of course the distinguished mayor of Pittsburgh, Pete Flaherty. Thank you, Mr. Chairman.

Chairman HUMPHREY. Congressman Reuss.

Representative REUSS. Briefly, I share in the indignation, Mr. Chairman. You have only to look at the newspaper stories these days—

yesterday, for instance, there was a real tragic case of a magnificent young man 18 years old in Southeast Washington cut down, murdered by some other young people—they were all black, southeast Washington being a black area in this city—cut down because he had a little small change in his pocket and was leaving to enter college in a few days. It is an awful tragedy.

In the same paper I read that our excellent Secretary of State, Secretary Kissinger, wants American taxpayers to come up with a $2 billion program of aiding white Rhodesians who are distressed about things in their country to be transported in trains someplace where they can get jobs, or jobs brought to them. That proposition is surely worth looking at. But I should think we could take that $2 billion and do something for the stranded young Americans in our cities and in our countryside.

So it is a good idea, I think, to have this hearing.

Chairman HUMPHREY. I want to say, Congressman, the Secretary of State's request for $2 billion will have to come to the Senate Foreign Relations Committee, as I recall, for authorization purposes. And we will have a good look at it. We may want to decide to change it from Rhodesians to Americans.

Representative REUSS. Consider alternative uses.

Chairman HUMPHREY. Possibly. I have an opening statement here by one of our colleagues, Clarence Brown, who will not be able to attend this morning. So, without objection, I will make it a part of the record at this point.

[The opening statement of Representative Brown follows:]

OPENING STATEMENT OF REPRESENTATIVE BROWN OF OHIO

It is a privilege for me to make this statement before this Committee on which I have served for seven years.

The disappointing statistics of the past three months are enough to remind us that we have not yet solved the unemployment problem. It is not for lack of trying—or caring. We are all concerned about the plight of the endemically unemployed. These hearings center on one of our most pressing problems, the chronic unemployment of teenagers, and particulary black teenagers. In August, when the overall unemployment rate stood at 7.9 percent, one out of five (19.7 percent) of our 16 to 19 year old teenagers, who were actively seeking work, could not find it. The August rate for white teenagers was 17.3 percent. For black teenagers, the rate was a shocking 40.2 percent.

The problem of unemployment must be solved not only because of its serious economic consequences, but also because of the deep social trauma of those affected.

Mr. Chairman, I have expressed my concern about this problem by introducing H.R. 15131 in the House last month. This legislation strikes at the heart of the unemployment problem without jeopardizing the 93 percent of our labor force that are working. My bill would establish a program of federal grants for the employment and training of endemically unemployed individuals. Through a system of employment incentive subsidies, coupled with required training programs, this legislation would help prepare these chronically unemployed to take their places as productive members of the working society.

The bill specifically concentrates on teenagers and minorities, giving them the highest priority for jobs. It also gives priority to unemployed workers in areas of high unemployment to combat particularly severe regional joblessness. The legislation puts a special emphasis on hiring and training of these chronically unemployed workers by small business firms which can give close attention to new workers. There is great potential power in this small business emphasis. For example, there are about 13 million small business firms in America. If only 8 million of them hired just one extra worker each, it would cut U.S. unemployment statistics in half.

Under H.R. 15131, unemployed persons will qualify to have 30 percent of their wages subsidized based on a priority point system, determined by the individual's unemployment classification (e.g., teenager); the rate of unemployment in the area of residence of the worker; and the size of the hiring firm. The more the unemployment rate of a classification of workers or area of residence exceeds the national average unemployment statistics, the higher the priority points. A priority list determines who is likely to be hired and who is not, depending on the amount of funds available to the state for the program. Firms wishing to participate in the program must apply to their local employment security office for certification of a mandatory training program for the worker being hired.

States will be given a share of $2 billion in federal funds to be appropriated under this legislation in proportion to a state's total unemployment and its rate of unemployment compared to national averages, in a manner to be determined by the Secretary of Labor. The state will be required to put up 20 percent matching funds. Each state department of labor equivalent will administer the funds.

The amount of subsidy to any one individual, up to a maximum of $3,000 a year will be phased out by one-fourth every six months, with the subsidy to be fully terminated at the end of two years. This reflects the idea that the training and work experience a worker is getting is making him fit to take his place in the labor market on a nonsubsidized basis.

Mr. Chairman, the unemployment program contained in H.R. 15131 is based on a desire to give our teenagers the opportunity to receive training and find employment in the private sector. The training provision in the bill is an essential part of this effort to help the unemployed become productive members of our society.

I realize that the Joint Economic Committee is not a legislative committee, but in trying to solve this difficult economic and social problem, I commend H.R. 15131 to my colleagues and to the Congress as a whole as an inexpensive, versatile and effective mechanism to meet the problem w are talking about today.

I thank the Chairman for this opportunity to make this statement.

Chairman HUMPHREY. Congressman Young, we are glad to have you with us.

STATEMENT OF HON. ANDREW YOUNG, A U.S. REPRESENTATIVE IN CONGRESS FROM THE FIFTH CONGRESSIONAL DISTRICT OF THE STATE OF GEORGIA

Representative YOUNG. May I say to you, Mr. Chairman, and to my colleagues from the House Banking Committee on which I formerly served, it is a pleasure to be here with you and to share with you the concern for youth unemployment in this Nation.

In a recent editorial in the New York Times, Roger Wilkins made the shocking statement that it may be harder to deal with the problems of unemployed young people than it was to deal with the problem of integrating former slaves into our society at the end of the Civil War, for the former slaves were economic participants in the system, and it was simple a matter of beginning to set up political and educational opportunities. But their economic well-being and work structure were already established. That is not today the situation, with our young people, black and white, from the ages of 18 to 21. They are perhaps the group in our society that we spend the least amount of money on, unless they stay within the public education system.

But in my own town of Atlanta, Ga., we are facing an inner-city unemployment rate in this age range from 50 to 60 percent, and a total city rate of about 47 percent.

Two-thirds of those in Atlanta are black young people. Nationally, we are talking about a constant increase in the figures of youth unemployment, because there is no easy transition now from school or from rural communities into the job market, partially because of the mechanism for this transition has been cut out by this present administration. The Job Corps began trying to ease this transition but the funding has not increased even though it was successful. In fact the funds were cut.

Chairman HUMPHREY. In half.

Representative YOUNG. That is right. Through the Peace Corps, which my colleague, Congressman Reuss was very instrumental in helping to develop——

Representative REUSS. As well as the chairman.

Representative YOUNG. We had some opportunities for a small segment of young people. But unfortunately, I think, for our society, the biggest transition mechanism formerly was the draft. And when we did away with the draft we closed the door of opportunity in one sense to a large segment of our society that had no other channel of access to the job market except through the training and discipline which came with involvement in the military.

I opposed the abolition of the draft, but I was never satisfied with the draft. An alternative to that concept, I think, is a national volunteer youth service—which Senator Humphrey was beginning to describe in his opening remarks—to give our young people a chance to spend 18 months in training and in voluntary service that would enable them to make the transition from youth to adulthood with some Government assistance. There are many things that can be said for this kind of program in response to our needs in the cities—the Teacher Corps, a Civilian Conservation Corps a paramedical and youth leadership training system in our cities. That might make it possible to meet the needs not only of these young people, but to meet some very pressing needs in other parts of our society.

We also have, on the House side, a bill introduced by my colleague, Congresswoman Shirley Chisholm, the Comprehensive Youth Employment Act of 1976, which would attempt to link up employment opportunities with educational opportunities so that there wouldn't be a gap between public high school and the job market.

We have done some amazing things in Atlanta in this direction with our distributive education program which gives young people in their last 2 years of high school an opportunity to work part time and get acquainted with a company and move into the job market directly.

But so far all of these things have been very piecemeal, very experimental. And when we are talking about roughly 50 percent of our youth population who are not now a part of the on-going economy of this Nation, we are running the risk of having them set up a criminal countereconomy. They will not be inactive. This is the most active stage in a person's life. They will do something. The question, I think, that is put before the Government is, will they be encouraged to do something constructive and creative, or will they be allowed to sink into chaos and destructive activity and become part of a criminal counterculture that we will spend far more money to try to counteract.

I think, very simply, that is the choice that is before us. If I can be partisan—and I guess it is all right in this committee—

Chairman HUMPHREY. It is dangerous, but go ahead.

Representative YOUNG. I don't know that the kind of voluntary youth service that I am talking about would be possible under an administration that did not believe in young people, that did not have a high sense of idealism and challenge about the role of Government in maintaining order and stability and direction in our society. There is a sense in which the Government is the protector and provider and father figure for young people. Many of them are young people whose fathers were dislocated or lost in an almost 25-year period of war. That gives us a kind of responsibility for this young generation that I think cannot be ignored. And I would hope that this committee would begin to move in the direction of Congresswoman Chisholm's suggestions for a Youth Unemployment Act. But more important, that you would take a serious look at a comprehensive voluntary youth service with a broad range of vocational and training opportunities to help our young people participate creatively in this society.

Chairman HUMPHREY. Thank you very much, Congressman Young. We appreciate it.

We will just go down the line with my colleagues if it is agreeable, and then we will do the questioning after the witnesses have all made their statements.

Representative YOUNG. May I be excused, Mr. Chairman?

Chairman HUMPHREY. Yes. I know you are busy, Congressman. Before you are excused I will ask if any other members have any questions to put to you.

Representative REUSS. I will wait and see him over in the House.

Representative MOORHEAD. I want to talk about this Comprehensive Youth Voluntary Service Act. I think you are on the right track there.

Chairman HUMPHREY. The whole purpose of this hearing, Congressman Young—as you know, we are not a legislative committee—is to focus attention to the issue. What is so appalling to me is that there is so little public attention on the proposed remedy for what is now a national disaster. This is not an ordinary problem. I had to make a judgment as to whether we could take time to hold these hearings. Actually in the Senate we are not supposed to be holding hearings. We are going to hold them anyway on this issue. There seems to be such a lack of attention to this dreadful social cancer that is eating at our society. And I just want to stimulate some discussion of the Chisholm bill and others.

I am not going to keep you any longer, except that we would like to explore with you, and we will ask members of the staff, to explore with you your proposal.

Representative YOUNG. I will be glad to submit a draft of just some preliminary ideas along this line to the committee staff and to the committee. I will get it to you in the next week or so.

Chairman HUMPHREY. And we will contact you. Thank you very much.

[The information referred to follows:]

At the conclusion of my testimony, Mr. Chairman, you expressed interest in my proposal for a national voluntary youth service and asked for more details. The

plan I would like to submit for your consideration is that put forward by Donald J. Eberly, Executive Director of the National Service Secretariat, at the Hyde Park Conference on Universal Youth Service in April of this year. I participated in that conference and believe that Mr. Eberly's plan is a realistic, positive proposal for addressing the problem of youth unemployment.

I also want to say a word about the cost of national voluntary youth service. The enrollment of one million young people, the figure estimated by both Mr. Eberly and Dr. Bernard Anderson, would mean a budget of some $5 billion per year. Where will the money come from? I suggest to the Joint Economic Committee that it calculate the sum of Federal moneys being spent to support young people that would not be spent if they were receiving the minimum wage as members of a national voluntary youth service. Probably the major programs to consider are unemployment compensation, the summer youth program and various welfare programs. When this analysis is made, I think we shall find that the amount of new money required to operate national voluntary youth service would be substantially below its $5 billion cost.

The following excerpts from Mr. Eberly's paper refer to a program of Universal Youth Service (UYS) and to the Program for Local Service (PLS), an experimental national service program conducted by the ACTION agency.

GOALS AND PRINCIPLES

1. To accomplish needed human, social and environmental services not currently being met.
2. To permit all young people to engage in full-time service to their fellowman.
3. To guarantee to all young people a full year of work experience.
4. To enable young people to gain experience in careers of interest to them.
5. To offer to all young people cross-cultural and non-classroom learning experiences, including practical problem solving, working with people, and the acquisition of specific skills.
6. To foster among young people a sense of self-worth and civic pride.

To accomplish these goals requires a program with certain characteristics:

1. *UYS must truly be open to all young people.*—This means paying special attention to persons who have few skills, are poorly educated, are bashful, or don't get along well with others. While giving them special services, we shall have to be careful not to separate them from others. For example, persons with few skills may do well at conservation camps where they will serve with college-educated environmentalists and where they will receive necessary training. Poorly educated persons may work on health or rescue teams with persons with more education. Those who are shy may need only the services of a friendly facilitator to assist in the first few interviews en route to finding the right position.

2. *Successful development of UYS requires a transition period of about three years.*—The transition period serves two vital functions. First, it allows time for UYS to grow from an idea to a program involving a million or more persons. Various studies suggest that while the need for youth service workers is on the order of four to five million, the number of openings that could be filled in the next three months is not more than 250,000. It will take some time to translate national or local needs into actual positions with organizations. Another constraint on rapid growth is the size of the supervisory staff. While time demands vary greatly, the typical supervisor may expect to spend two hours per week with the UYS participant, perhaps several hours during the first week or two. Few supervisors can handle more than two or three UYS participants in addition to their regular jobs. This ratio is a limiting factor to agencies' acceptance of UYS participants until the next budget cycle permits the hiring of additional supervisory staff.

Second, the build-up period provides for experimentation within the overall program guidelines. The decentralized administration will permit, even encourage, the states and cities to test a variety of approaches for implementing the goals of UYS. There are many ways, for example, in which UYS participants can derive educational benefits from the UYS experience. These will be closely watched during the early years of the program to determine which should be incorporated into UYS and to determine the extent to which educational arrangements should remain flexible.

3. *Participation should be arranged by a contract, voluntarily entered into by all parties.*—The contract would describe the responsibilities of the UYS partici-

pant, the supervisor, the sponsoring agency, and the funding agency. This approach would extend the choices open to applicants as well as to sponsors, minimize the possibility of misunderstanding among the parties, and establish a reference point for evaluation of the program.

4. *UYS must be based soundly on the need for having services performed.*—Most of its potential for youth development would vanish if the work were not needed or if the UYS participants perceived the work to be of no consequence. A mandatory financial contribution by the sponsor would help to enforce the worth of their service.

5. *Maximum local support of UYS should be encouraged with underwriting guaranteed by the Federal government.*—Past experience suggests that most cities and states would opt for maximum Federal funding. Still, there is much evidence in recent legislation showing that lower levels of government will have discretionary authority over substantial amounts of money for the purpose of meeting social needs.

6. *Persons should be allowed to serve in UYS for no more than four years.*—A part of the UYS mission is to provide a transition into the world of work, not a lifetime job. The four-year limitation can be accomplished by regulation or by restricting UYS to a four-year cohort, such as 18–21.

Organization of UYS

Clearly, both the needs and the resources exist on a large scale. The process by which they are brought together will vitally affect the degree of success of the UYS effort. There are numerous possibilities, ranging from a highly centralized, tightly controlled hierarchy, replacing present Federal youth programs to the de-centralized, loosely coordinated network of limited opportunities which exists today.

In order to prevent discrimination, both overt and covert, a certain level of Federal control is necessary. Such innocent processes as recruitment and application can develop into highly sophisticated sorting procedures. The Federal Government must retain the right to review and rectify such activities.

In addition to the question of Federal control, the Federal funding share can be of varying levels, and can be administered in a variety of ways. This paper recommends an underwriting approach in which Federal funds would not replace other funds already available, but in which Federal monies would be adequate to guarantee service positions to all young people who wanted them. It suggests that funds be administered by state or local levels of government, and that they be obtained from the Federal Government by means of the grant-making process.

There is also the decentralization issue, as exemplified by such activities as recruitment and placement. Should all applicants apply to Washington, D.C., there to be classified and sorted and placed, or should a more personalized local mechanism be used? This paper suggests that essentially all application and placement procedures take place at the state or local level. At the same time, there would be enough common elements in all UYS programs to give UYS a clear image nationwide, and to permit certain generic recruitment activities to be undertaken on the national level.

Finally, should UYS be housed in a new agency or an old one This paper suggests a combination. A new entity would be needed at the national level to perform a new function. At the state and local level where programs were administered, there would be no new organizations but a sometimes new coalition of existing organizations. At the level of the sponsor, where the actual UYS participant would work, new organizations would not be ruled out but the great bulk of activity would be conducted by existing organizations.

If we were constrained to operate UYS through present programs, we would probably start with the Youth Conservation Corps and ACTION's Program for Local Service. Neither of these programs is limited to a particular class of people. Then we would add a few restrictive programs such as College Work Study and selected Titles of the Comprehensive Employment and Training Act. We would try to articulate these in a way that led to no systematic discrimination. The next stage would be to bring in programs which emphasize the services to be performed. These may be found in abundance in the Department of Health, Education and Welfare, and to a somewhat lesser extent in the Departments of Justice, Housing and Urban Development, Agriculture and Interior.

The approach has a certain appeal and, given the time lag in achieving new legislation, may be the preferred way to begin UYS. The toughest problem once all the negotiations were concluded at the Federal level, would be to achieve a consistency in the articulation among programs at the state and local level. We can find a few examples of genuine and effective cooperation. The persistent problem would be in trying to achieve a replication of such cases to the end that "all young people have opportunities for full-time civilian service."

Perhaps it can be done. Even so, it may be useful to have before us another organizational model, one that comes directly from the set of UYS goals and principles.

The recommended organization for UYS is the public corporation; it would be accountable to the President and the Congress but somewhat removed from day-to-day political pressures. A suitable vehicle for fostering local initiative and decision making while retaining basic program design is the Federal grant. This mechanism can be used to fund UYS projects. In brief, the system would be organized as follows:

a. A Foundation for Universal Youth Service would be established by law. It would be a quasi-public organization, similar to the Corporation for Public Broadcasting, and would receive appropriations from Congress.

b. The Foundation would be operated by a 19-member Board of Trustees, with 12 of its members to be appointed by the President, with the advice and consent of the Senate, and following persons to serve as ex-officio members: the U.S. Commissioner of Education, the Commissioner of the Office of Youth Development, the Employment and Training Administrator of the Department of Labor, the Director of ACTION, the Director of the U.S. Forest Service, the Director of the National Park Service, and the Director of the National Youth Service Foundation.

c. Also, an Advisory Council would be created to advise the Board of Trustees on broad policy matters. It would have 24 members with at least eight under 27 years of age at the time of appointment. Members of the Board would meet at least three times a year.

d. Present Federal programs providing opportunities for youth service would remain in effect. These include the Peace Corps, VISTA, Teacher Corps, College Work Study Program, Job Corps and youth corps programs funded by the Comprehensive Employment and Training Act. The Youth Conservation Corps would be modified slightly to permit 15-17-year-olds to engage in other than strictly conservation activities and to explain UYS to the enrollees. After three years of UYS operation, Congress would examine all of these programs to determine the appropriate degree of consolidation among them.

e. The Foundation would invite units of state, regional and local governments to submit grant applications, outlining plans for the operation of UYS within the specified guidelines. The Foundation would award grants on the basis of merit and the funds available. In considering proposals the Foundation would give particular attention to the priorities allocated to job placement, accomplishment of needed services, education and training, and youth development. The ideal proposal would reveal a balance among these goals supported by participation of the respective agencies in program administration.

f. Grantees would have exclusive jurisdictions, as defined in the grant application. Thus, several cities in a given state could be UYS grantees and the state government could be the grantee for the balance of the state, as in CETA.

g. Grants would run for periods of up to three years. Upon receipt of the grant, the grantee would announce the program and invite participation by persons ages 18–24. At the same time, it would invite participation by public and private non-profit organizations interested in becoming UYS sponsors.

h. UYS would have two major options: Community Service and Environmental Service. Community service would be modeled after PLS. Applicants would interview for a wide range of local community service projects sponsored by public agencies or private non-profit organizations. Those who wished to travel in search of Community Service projects would do so at their own expense and would register with the local UYS agency. UYS would make no special provisions for them.

i. Most sponsors of the Environmental Service option would be Federal, state, or local agencies. Most environmental projects would require travel costs as well as expenditures for supplies and equipment. Such costs would be the responsibility of the sponsor, not of the Foundation. Where lodging and food were provided by the sponsor, it would be entitled to reimbursement by the UYS grantee from whose jurisdiction the participant was recruited.

The UYS operational process is outlined in the appendix. Let us examine how UYS might provide for its enrollees after completion of service, and how UYS might remain responsive to current needs.

After Service in UYS.—As indicated earlier, UYS is seen in this model as a transition program. It is not a lifetime job, nor does it guarantee employment upon completion. Still, UYS should include certain features that would facilitate the employment and further education of its members.

First, UYS should be a source of information about jobs and education. This information could take the form of newsletters, job information sheets, opportunities for counselling, and referrals to such institutions as the Employment Service and the Community Education-Work Councils proposed by Willard Wirtz.

Second, UYS should certify the work performed by the participant. The certification should be of a descriptive nature, not a judgmental one. Such a certificate should enable the outgoing participants to get beyond the initial hurdle to jobs for which they are qualified.

Third, consideration should be given to offering UYS participants an educational entitlement, a GI Bill for Community Service along the lines proposed by Elliot Richardson and Frank Newman in 1972. At a time when the GI Bill for military service appears to be on the way out, and financial support packages consisting of loans, grants and work-study, are making opportunities for higher education almost universal, this is a complex issue. But if the nation wants to construct incentives for participation in UYS, an associated educational entitlement is one of the most consistent ways of doing it.*

Fourth, the Women in Community Service and Joint Action for Community Service programs of the Job Corps should be adapted for utilization by UYS. These programs utilize volunteers to recruit, counsel, and place Job Corps enrollees. It is a service that could provide special help for lower-income young people without having a stigmatizing effect on the program.

A 5% Fund for Experimentation.—The paper on Youth Service Milestones from 1945–75 describes the changes that have been rung on the national service idea in the past two decades. First it was viewed as a way to demonstrate our commitment to peace, then as a draft alternative, then as a means of enabling students to acquire relevant education, now as a way to solve the youth unemployment problem.

Throughout this period, there has been little change in the basic concept. All young people would be assured of opportunities for meaningful service, and underwriting would be provided by the Federal government. Hence, it is reasonable to suppose that such a program would have stood the test of time.

In the future, all signs point to greater changes over shorter periods of time. If we as a nation continue to procastinate over the adoption of national service, there is a good chance that it will be imposed out of necessity. It will be a crash program, hurriedly assembled and inefficiently managed.

Even if the model youth service program outlined in this paper were adopted today, it might prove too rigid to meet the unforseeable demands of five or ten years in the future. Such needs might be better anticipated if sufficient experimental funds were allocated to the UYS program. It is suggested that 5% of the total budget be devoted to testing new forms of youth service programs. These could range from Canada's Opportunities for Youth to Israel's several models of youth involvement. The Student Originated Studies program sponsored by the National Science Foundation might serve as a model for youth-initiated projects. Also certain cultural and public works projects falling outside the standard UYS criteria could be tested under the experimental program.

Appendix

Operation of UYS

The process of initially identifying UYS sponsors and participants may best be described by imagining that we are in a city or state that has just received

*Several possible models are presented in "The Community Service Fellowship Planning Project" by Robert L. McKee and Michael J. Gaffney, American Association of Community and Junior Colleges, One Dupont Circle, Washington, D.C., 1975. The study was funded by Action. In a typical model, persons in full-time community service would be entitled to $150 of educational benefits per month of service, with a minimum service period of six months.

a UYS grant. Let us trace the process first for young people and then for the sponsoring agencies.

Young people learn of UYS from numerous sources, including word-of-mouth, newspapers, radio, television, schools, colleges, youth clubs, and religious groups. Where mailing lists are available persons from 18 to 24 are sent information packets on UYS. Elsewhere, intensive efforts are made to make the packets easily available through a variety of channels.

(By the second year of UYS, many 18-year-olds will become acquainted with UYS through participation in the modified Youth Conservation Corps. These YCC camps are residential, 8-week summer camps with from 100 to 200 persons at each site. Each camp has these features:

The major part of the time is devoted to performing needed conservation and community services.

Some time is devoted to giving necessary training to the young people and to reflecting with them on what they have learned from their service experience.

The participants are informed of their options under UYS when they reach the age of 18.

Each camp has a socio-economic mix of young people which reflects the population of the surrounding area.)

A simple, one-page application form is included in the information kit. Persons interested in joining UYS complete the form and send it to the local center for processing. By return mail the applicant receives an invitation to attend a one-day orientation session to be held within one month.

For applicants who haven't yet decided which branch of UYS to join, further information and counseling is available at the orientation session. Also, pending legal and medical problems are reviewed at this time and a determination is made as to whether the application can proceed or has to await resolution of such problems. Each qualifying applicant completes a one-page resume and receives a voucher and agreement form.

The resume serves as an introduction to the potential sponsors and describes the applicant's educational background, work experience and interests.

The voucher guarantees a certain level of financial support and health care by the U.S. government in return for the performance of needed services by the applicant and compliance with the regulations by both applicant and sponsor.

The agreement form provides space for the applicant and sponsor to spell out the duties of the applicant, the training and supervisory responsibilities of the sponsor, and other particulars relevant to the job.

Next, applicants have direct access to a computer terminal where they compile a list of positions which interest them. Applicants then receive brief training in interview techniques and make appointments for one or more interviews with sponsors. Normally, officials from the Environmental Program are available at the orientation session. Agreements may be completed and the voucher signed and certified by the end of the day. For persons seeking positions with Community Service agencies, it may take several days to complete a round of interviews leading to agreement between applicant and sponsor.

The final agreement states the date of beginning service and provisions for training and transportation. UYS normally provides for one day of training on administrative matters.

Work-related training is the responsibility of the sponsor and is given as part of the service period unless otherwise provided for in the agreement.

Sponsors are recruited in a somewhat similar fashion to that used for participants. Sponsorship is universally open to public and private non-profit agencies. Sponsors may request UYS participants for positions meeting certain criteria:

No displacement of employees.

No political nor religious activities.

No use of firearms.

The sponsor certifies that it is prepared to contribute $200 per man-year of service and to provide the necessary supervision and in-service training. Also, the sponsor agrees to participate in a one-day training session before receiving any UYS participants.

Sponsors' requests are open to public review for a period of one week. Where challenges are made, the grantee investigates them and makes a determination. Those position descriptions which successfully pass through this process are entered into a computer listing, where they are immediately accessible to UYS

applicants in the area. It is from this listing that applicants set up interviews and the agreement process goes forward.

Should there be more than negligible abuse of this clearance process, it would be necessary to set up formal review committees, including union officials, to pass on each application for a UYS participant.

Decisions affecting the retention or dismissal of UYS participants have to be made individually, with extenuating circumstances given due weight. Still, guidelines are needed.

The guiding principle is the participant's willingness to serve. The written agreement spells out the duties and responsibilities of both participant and supervisor. The participant who is repeatedly late for work or neglectful of agreed-upon duties appears to be giving a clear signal of an absence of a willingness to serve. Dismissal seems to be in order. By contrast, another participant simply cannot master an assigned job even while making every effort to do so. Here, an in-service training program or a lower-level job, accompanied by a renegotiated contract, is indicated.

When sponsoring organizations fail to live up to the terms of the agreement, the participant is assisted in securing another placement and the sponsoring organization is removed from the computer listing. Participants who are dismissed for failing to comply with the terms of the agreement are normally ineligible for re-enrollment in UYS.

Chairman HUMPHREY. Mayor Flaherty, thank you for coming here to us. You come from a great city, and you have given it fine leadership. We welcome your testimony.

STATEMENT OF HON. PETE FLAHERTY, MAYOR, CITY OF PITTSBURGH, PA.

Mayor FLAHERTY. Thank you, Senator, and I am glad to see our Congressman from Pittsburgh, Bill Moorhead, and Congressman Reuss.

I am very happy to have the opportunity to appear before your committee which is emphasizing so much the need for more focus on the problems of unemployment, the need to do something about it.

Senator Humphrey mentioned some alarming statistics in his opening statement. Unemployment figures among the youth are running anywhere from 11 percent up to 40 percent in the case of blacks. And the last I heard it was something like over 20 percent for our white teenagers and close to 40 percent for our black teenagers in my area. That may vary from time to time in accordance with jobs. But the scope of the problem is one that perhaps boggles the minds of the Congressmen and the Senators. But if you are there in the city where you see vast numbers of young people unemployed, and having very little hope for employment when they go through school, it is very difficult to answer to them in a matter of a short period of time why they should stay in school, and why they should graduate from high school if they see their brothers and sisters unable to get meaningful employment. So you get the vicious circle of dropouts occurring because they don't see anything at the end of a high school education in the way of meaningful employment.

Because of these experiences, I am concerned that for too long we have only dwelled upon the surface effects of youth unemployment and prescribed costly patent medicines for its cure. I am concerned that for too long we have failed to take a hard look at the facts. And that is why I think it is important that this committee is meeting and hearing people from all over the country, Mr. Samuel and Congressman Young and all the rest.

82-043—77——2

I do not think that we can continue to make the assumption that our basic educational and employment institutions are sound and all that we need are a few extra programs to supplement them. We have pursued this course in the past and have watched supplemental programs become institutionalized in a patchwork of Government activities.

I think that times have changed but our institutions have only become bigger. Specialization rather than relevance has unfortunately been their emphasis.

Thirty or forty years ago graduating from school and being able to get a job that would last until retirement was thought to be very desirable—it represented job security. Today, taking a young person out of school and standing them before the same lathe with the realization that this is what their life work will be like for the next 25 years is a shattering experience.

Similarly, when I reflect on my experiences in school and then observe those of my children and their friends, I can see enormous shifts in attitudes and aspirations, and I suppose you have, too.

The populations of our cities and their values, their expectations and their needs have changed dramatically over the years in both school and the workplace. The question is, have our educational institutions, employers, and labor organizations adequately recognized and adjusted to these changes?

I feel we are spending too much time talking about how to better relate schooling to employment without talking enough about relating both school and work to people—young and old.

Certainly, this economy still has far too much slack and the recovery has yet to produce an acceptable reduction in unemployment. But if we are ever to have full employment without inflation, the focus of that search must be in developing higher levels of productivity for people who are unemployed or unemployable today.

Given the nature of their schooling and the traditional types of jobs currently being offered, it is unlikely that many of our unemployed young people can be put to work productively. We then face the prospect of Government potentially subsidizing the employment of young people poorly equipped for work, in jobs unsuited to their expectations.

This is why our assumptions of sound education and employment institutions must be reexamined.

We must put our existing resources to better use before creating new programs. We must improve what exists before expanding it. We have got to look intensively at the programs we already advocate before we move into new programs.

Sure we need new programs. But on the level of programs we now have let's take a strong and careful look to see how meaningful they are, and perhaps make those meaningful more so, and discard the ones that haven't worked or are unworkable.

I am convinced that much of the funds needed to get our institutions revitalized are already being poured into redundant and obsolete programs. I am also convinced that the costs of hiring younger workers—in terms of turnover, absenteeism, low productivity, et cetera—have already become so great that private employers can easily afford to fund their own efforts to restructure work patterns so that young people can be profitably employed.

I am also convinced that parents can no longer view schools as custodial institutions and leave the education of their children to the "experts." We desperately need to restore the participation and involvement of parents in education. Schools cannot be held responsible for children—strong families and a sense of community must be rediscovered and reintroduced to the educational system.

In formulating recommendations for the committee, I recognize that it is a great deal harder to talk about how to change institutions than it is to propose bright new programs. In many cases the problems young people face in finding and holding jobs are not far removed from those faced by other workers whose dissatisfaction with work in general is manifested by alcoholism, absenteeism, grievances, and other white and blue collar "blues" syndromes.

I would like to see more discussion of the nature of work and the nature of education—where does one begin and the other end, if at all?

How can work itself be viewed as a long-term educational process, involving both classroom and on-the-job aspects, which will ultimately lead to the attainment of goals jointly established by the employer and the employee?

How can work be adapted to the values and aspirations of young people so that we not only educate people for jobs, but restructure jobs to fit people? How can this be accomplished by private employers so that younger workers can achieve higher productivity levels and be profitably employed without Government subsidies, which is what we would all shoot for in the long run.

How can our school systems be better integrated into the fabric of our communities and brought into more direct contact with parents, employers, and labor organizations?

How can the educational process be made more democratic for our young people without completely abandoning control of our schools at the same time? How can we help students develop meaningful goals and give them the tools to design their own long range programs to meet them?

How can be reintroduce education to the workplace and vice versa so that workers do not feel trapped in their jobs or fail to understand their need for knowledge?

How can our strong labor unions participate in improving both the quality of work and education?

How can we translate the insights we have gained from innovative Job Corps programs into institutional changes? What have we learned from our experiences under CETA that would be appreciable?

I think these are very difficult questions, but in searching for ways to make things better rather than new, we can strike a chord in our society that could inspire people, particularly young people, to respond. I feel that students, taxpayers, workers, consumers, and employers—we are all of them and they are all us—are discouraged with our institutions. Things just don't seem to work and yet they are bigger, more complex, and more costly than ever. Young people have always been the vanguard for change. High youth unemployment rates are a symptom of a larger problem.

We must change and make our systems work. We must not allow young people to opt out of the community and leave the mainstream. We must begin to shift the mainstream itself to encompass them. We

can no longer be satisfied to buy peace and more time. We cannot live in two worlds—the old, tired world of platitudes and interest group tradeoffs; and the young, dissatisfied, disillusioned world of idleness and destructiveness.

I would suggest the committee consider:

1. Requirements be built into Federal education programs to mandate greater opportunity for parents, employers and labor unions to have a role in the planning and implementation of education programs.
2. Expand efforts to combine work and education through cooperative educational and vocational programs.
3. Develop greater opportunities and incentives for employers to hire and train young workers through on-the-job training, job restructuring, job sharing, and continuing education programs for young workers.
4. Explore the possibility of offering incentives to youth to continue their education.
5. Offer employers and unions the opportunity to develop career planning and development programs for their younger workers and members.

These are but a few suggestions that the committee may wish to explore in formulating its recommendations.

Action is needed quickly to meet the growing dissatisfaction being caused by high youth unemployment and I look forward to working with you in meeting this important problem.

I know this, that our business leaders, our governmental agencies, and our labor people in my community, all share an equal concern for the high unemployment. We have now an Economic Development Committee formed where we are trying to work together to nail down the problem better so that when we do come before you we can focus on you. We don't want to give you information that we don't feel would be helpful. We would like to have a better relationship with Washington, to get removed from it. We want to come before committees more. I want to bring our leadership, and perhaps sometime some of our young people, to press this problem to you.

I thank you for having me on this morning to share some of the problems that I have in my city.

[The prepared statement of Mayor Flaherty follows:]

PREPARED STATEMENT OF HON. PETE FLAHERTY

Thank you for the opportunity to discuss the youth unemployment situation.

I feel that forums like this are extremely important if we are to gain an appreciation for the complexity of this problem.

Certainly, everyone in this room is well aware of the alarming rates of unemployment for workers under 25 years of age, particularly among those in this age group who are black and living in urban areas.

The magnitude of these figures alone suggests to me that their causes run far deeper than just a shortage of job opportunities for young people.

As Mayor of one of America's greatest cities, I have seen the human dislocation and suffering that a 40% unemployment rate connotes. Because of these experiences, I am concerned that for too long we have only dwelled upon the surface effects of youth unemployment and prescribed costly patent medicines for its cure. I am concerned that for too long we have failed to take a hard look at the facts.

I do not think that we can continue to make the assumption that our basic educational and employment institutions are sound and all that we need are a few extra programs to supplement them. We have pursued this course in the past

and have watched supplemental programs become institutionalized into a patchwork of government activities.

I think that times have changed but our institutions have only become bigger. Specialization rather than relevance has unfortunately been their emphasis.

Thirty or forty years ago graduating from school and being able to get a job that would last until retirement was thought to be very desirable—it represented job security. Today, taking a young person out of school and standing them before that same lathe with the realization that this is what their work life will be like for the next twenty-five years is a shattering experience.

Similarly, when I reflect on my experiences in school and then observed those of my children and their friends, I can see enormous shifts in attitudes and aspirations.

The populations of our cities and their values, their expectations and their needs have changed dramatically over the years in both school and the workplace. Have our educational institutions, employers, and labor organizations adequately recognized and adjusted to these changes?

I feel we are spending too much time talking about how to better relate schooling to employment without talking enough about relating both school and work to people—young and old.

Certainly, this economy still has far too much slack and the recovery has yet to produce an acceptable reduction in unemployment. But if we are ever to have full employment without inflation, the focus of that search must be in developing higher levels of productivity for people who are unemployed or unemployable today.

Given the nature of their schooling and the traditional types of jobs currently being offered, it is unlikely that many of our unemployed young people can be put to work productively. We then face the prospect of government potentially subsidizing the employment of young people poorly equipped for work, in jobs unsuited to their expectations.

This is why our assumptions of sound education and employment institutions must be re-examined.

We must put our existing resources to better use before creating new programs. We must improve what exists before expanding it. We must be careful that in advocating new programs we don't provide the excuse for allowing poorly functioning structures to escape change.

Public resources are too scarce for each extravagance. At the municipal level we have already witnessed the limits of government. In Pittsburgh, however, you will find evidence of how we dramatically raised the level of municipal services with improvements in productivity. At the same time, a lower level of taxation exists today than when I took office 6½ years ago.

I am convinced that much of the funds needed to get our institutions revitalized are already being poured into redundant and obsolete programs. I am also convinced that the costs of hiring younger workers—in terms of turnover, absenteeism, low productivity, etc.—have already become so great that private employers can easily afford to fund their own efforts to restructure work patterns so that young people can be profitably employed.

I am also convinced that parents can no longer view schools as custodial institutions and leave the education of their children to the "experts". We desperately need to restore the participation and involvement of parents in education. Schools cannot be held responsible for children—strong families and a sense of community must be rediscovered and reintroduced to the educational system.

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These are but a few suggestions that the Committee may wish to explore in formulating its recommendations.

Action is needed quickly to meet the growing dissatisfaction being caused by high youth unemployment and I look forward to working with you in meeting this important problem.

Chairman HUMPHREY. Thank you very much, Mayor Flaherty. We will come back to you. I have a number of questions to pose to you.

Mr. Samuel, we welcome you. And I believe you are here representing as well my own friend, Murray Finley, who is chairman of the National Committee for Full Employment, and president of the Amalgamated Clothing and Textile Workers Union.

STATEMENT OF HOWARD D. SAMUEL, SECRETARY, NATIONAL COMMITTEE ON FULL EMPLOYMENT, AND VICE PRESIDENT, AMALGAMATED CLOTHING AND TEXTILE WORKERS UNION, AFL–CIO

Mr. SAMUEL. Senators and members of the committee, you were hopeful that Mr. Finley could be here, as I was. He has been involved in the last 48 hours almost continuously, and before that for a couple

of weeks, in negotiations involving about 50,000 of our members. The negotiations ended sometime earlier this morning, and I think he is sleeping the sleep of the just. And there was no time in the schedule, unfortunately, for him to participate in this hearing. Late last night in our negotiations we found we were going down to the wire. So I am taking his place. And I hopefully will do a good job of reflecting his opinions, since I serve as a vice president of the Amalgamated Clothing and Textile Workers Union of which he is the president, and as the secretary of the National Committee on Full Employment of which he is cochairman.

I want to treat my prepared statement in summary in the interest of brevity, and also responding to the chairman's remarks and some of the remarks of the earlier witnesses.

First, let me comment on just a couple of statistics of the phenomenon which we are talking about today. One is the phenomenon of black youth unemployment. The problem of youth unemployment is a very serious one. There is no question that the problem of black youth unemployment is much more serious. There is almost a quantum difference. And one of the things I think we have got to face is that black youth unemployment has continued to climb in the last 10 years to 20 years, despite the ups and downs in the general employment level. White youth unemployment does respond to the general employment level. Black youth unemployment recently has not, it has simply kept climbing even in the last few months when the general employment level has gone down slightly.

I think also we should note a couple of other characteristics as to youth unemployment generally. I think it is a common belief that the major reason for youth unemployment is that young people are forever skipping around from job to job, or from job to school and back again, testing the water of the job market, and often not finding anything satisfactory at all. There have been statistics that show that about 40 percent of the unemployment of youth during the depth of the 1975 recession was caused by involuntary loss of jobs. In other words, these were young people who had jobs, presumably liked them, and lost their jobs because of the recession.

The other factor, which I suppose is not so surprising either, is that I think we sometimes don't take into adequate consideration the effect of education on the unemployment rates.

In the young adult group, during the 1975 period, the second quarter, unemployment for college graduates in this age group, 20 to 24, was 6.3 percent, actually less than the general unemployment level. For high school graduates it was 15.6 percent, considerably higher. For high school dropouts it was 25.9 percent. So there doesn't seem to be much question that the level of education is a major factor in the question of youth unemployment.

In response to these issues, and various others which have been raised, let me suggest a few criteria we should keep in mind when we come to trying to find solutions.

In the first place, it is obvious that the problem will not and can not be solved unless and until the Nation can solve the problem of unemployment generally. It is not possible to create jobs for those least educated, those most disadvantaged, those without adequate ex-

perience and skills, when millions of others with more education and experience and skills are also unemployed. Approaching a full employment economy will not solve all of the youth unemployment problem, but without a reasonable approximation of full employment, there is no way to solve it. We found this out in the 1960's and 1970's, when despite spending billions of dollars on manpower training, we made only a modest dent in unemployment levels for the disadvantaged, including youth.

Throwing money at some problems, contrary to some current commentators, does help solve them, but spending money to train people when there are inadequate jobs for them at the end of the training period is a recipe of frustration for trainees and trainers like.

And may I add, Mr. Chairman, my hope that whatever the committee begins to consider in the way of a solution to the problem, that we try to avoid the phenomenon which some people have been calling the holding pattern phenomenon, keeping young people aged 16, 17, or 18, whatever the starting age may be, in some sort of occupation for 3 or 4 years, hoping that the process of age will take care of the problem, and then releasing them at age 23 or 22, their only skill having been leafraking or rehabilitating buildings in an elementary way, and so forth and so on. A job program for youth must involve also the transfer of some kind of skills so that when they leave the job program they will be able to enter the job market.

Second, instead of looking for ways to get teenagers into the work force, we should spend more time and money looking for ways to get them back to school. Some young people drop out because they have to support their families. Some kind of family support should be devised to enable them to continue their education to the ultimate level they can handle. Some drop out because of boredom, finding that traditional schooling doesn't meet their needs. There should be more help to school systems to encourage them to devise alternate educational schemes.

At the present time we are spending most of our money in this field to provide temporary low skill jobs. The money is actually income maintenance. Training for real jobs, must depend first on an economy which has jobs to offer, and second on real education, which provides the needed foundation which job training can refine into marketable skills.

Finally, there is the question of wage levels. A number of proposals have surfaced which would claim to solve the youth job problem by putting young people to work at low wages—anything, it seems, to wedge them into the labor force. I have a number of objections to this theory.

First, there is no proof that lower wages will have much effect on teenager employment. Certainly the opposite has not had any effect. Presumably if a lower minimum wage would be helpful, it should follow that a high minimum wage is damaging. But such is not the case. A Labor Department study in 1970 concluded, after studying the effects of several rises in the minimum wage, that—

* * * It was difficult to prove any direct relationship between minimum wages and employment effects on young workers.

Lower wages for youth would not create additional jobs, but could lead to displacement of older workers, largely heads of families. And

that is one way we should not solve the problem of youth unemployment.

Furthermore, low wage jobs are an invitation to low productivity, to inefficiency, and eventually to inflation. With low wage jobs, employers have no incentive to rationalize inefficient jobs and generate productivity gains. We have seen this occur again and again in our history, each time a new wave of unskilled or disadvantaged workers have come into the labor force. It is being said today about illegal aliens—

. . . they are only taking jobs which American workers wouldn't take anyway.

It was probably said during each earlier wave of legal migration going back more than 100 years. And it has never been true. A ready supply of cheap labor cheapens jobs and removed the motivation to strive for productivity improvements. I saw it myself a few years ago in a garment factory in Hong Kong, where the machinery was antiquated and in poor repair. The owner told me it was not worth it to improve his machinery because the labor was so cheap.

In the United States, that is a recipe for industrial disaster and economic chaos.

There are other reasons for opposing specially low wage levels for youth. Many young people are obliged to help support families. Paying them inadequate wages simply adds to the welfare burden—and nothing is more inflationary than using Government money to pay people without any corresponding increase in goods and services.

Finally, paying low wages probably won't even attract young people into jobs. The cause of youth unemployment, as has been pointed out, is a combination of lack of experience, lack of adequate training, and discrimination. Trying to entice young people into the labor force on the basis of low wages—particularly without meeting the other problems—would be counterproductive. Young people are not going to flock to the labor market in search of low-wage, low-skill, dead end jobs. The jobs have to carry with them some measure of self-esteem and future hope, and those factors are not components of low-wage jobs.

Finally, let me say a word about my own industry, the clothing and textile industry. Although in our own trade we tend to denigrate it by calling it the rag industry, actually this industry provides more jobs than any other manufacturing sector in the country, two and a half million jobs. Our industry, like other industries, has been sharply affected by low-wage imports. Our industry, like certain other industries, because of the vast number of jobs we offer to the labor market, also could be a major source and a growing source of jobs for young people without very elaborate skills. Most of the jobs in our industry have relatively low entry level skill requirements, and that is true not only of our industry, but shoes, furniture, and a number of other kinds of industries. These are the industries which typically are first affected by imports from developing countries.

One would think that a nation which is concerned about the lack of jobs for young people with inadequate training would treat industries such as ours with tender loving care. That is not the fact. It was not the fact when the Congress considered the trade bill of 1974, and it has not been the fact, I don't think, generally speaking. So one of

the things I suggested to the Senators and the Congressmen is that that kind of consideration be given to industries such as ours which have the opportunity to provide jobs for young people without skills, and we do provide jobs now not only to young people but to extraordinary numbers of women and to members of minority groups, much larger than most industries, because these kinds of jobs are particularly valuable to our country, and they should not be sacrificed, I don't think, on the altar of free trade.

Thank you.

[The prepared statement of Mr. Samuel follows:]

PREPARED STATEMENT OF HOWARD D. SAMUEL

My name is Howard D. Samuel, and I am testifying today in behalf of Murray H. Finley, co-chairperson of the National Committee on Full Employment and the Full Employment Action Council, and president of the Amalgamated Clothing and Textile Workers Union, AFL–CIO. I am hopeful I can represent Mr. Finley responsibly and accurately, since I am secretary of the National Committee on Full Employment as well as a vice president of ACTWU.

For the record, may I take a moment to describe the National Committee on Full Employment. It is a voluntary organization representing a number of people and organizations in such fields as labor and business, civil rights and religion, academia and public service, who are committed to the principle that full employment is a number one domestic priority of this nation. The Committee, during its two and a half years of existence, has sponsored several conferences, published educational materials, promoted research, and worked closely with a myriad other groups to develop a greater awareness of the need for a full employment economy.

The Full Employment Action Council shares the same leadership and many of the same Board members, but is a legislative action group, and has dedicated itself to supporting the Humphrey-Hawkins Full Employment and Balanced Growth Act of 1976, as well as other measures which would bring a full employment economy closer to reality.

Let me also take a moment to describe the Amalgamated Clothing and Textile Workers Union, since both Mr. Finley and I are officers of the union and this testimony unavoidably reflects the policies established by the union and by the AFL–CIO with which we are affiliated.

The ACTWU was formed just three months ago through the merger of the Amalgamated Clothing Workers of America, founded in 1914, and the Textile Workers Union of America, founded in 1937. Both unions had been close historically and both share a common desire to improve the conditions of our membership as well as the quality of life in our communities. Our membership of 510,000 work in a variety of industries in the men's and boys' apparel and the textile fields. These industries, it is useful to note, employ an exceptionally large number of women and members of minority groups, many of whom can successfully obtain jobs in our industry with minimal entry-level skills. This fact has some relevance to the subject under discussion today.

In respect to the problem of unemployment among young people, first let us look at the scope of the problem. In summary, at the peak of the current period of general unemployment, which occurred during the second quarter of 1975, when the general unemployment rate was 8.9 percent, teen-age unemployment (16–19) was 20.5 percent, and unemployment among young adults (20–24) was 14.1 percent. Since unemployment in the age groups above 24 was only 6.5 percent, it is clear that the employment levels of the first eight years of working life caused a disproportionate amount of the unemployment in the entire working population.

All of these figures, incidentally, come from the standard BLS reports, and do not account for the large numbers of people who have dropped out of the labor force entirely—the so-called discouraged worker—or those who are working part-time but who, if a full-time job were available, would work full-time. If these numbers were included for the age group 16–24, the total unemployment rate, instead of 17.5 percent would have been closer to 25 percent during the second quarter of 1975.

We are all aware that in analyzing unemployment among young people, a disproportionate burden is felt by members of minority groups. During the same time period, when teen-agers suffered a 20.5 percent unemployment rate, black teen-agers were at a 37.8 percent level. When young adults were at a 14.1 percent rate, black young adults were at a 22.7 percent rate.

The phenomenon of black youth unemployment has continued to rise over the years, and continues to this very day, despite some modest and perhaps temporary improvement since the low point in 1975. Here are the figures:

UNEMPLOYMENT AMONG TEENAGERS

[In percent]

	Blacks	Whites
Year:		
1955	15.8	10.3
1965	26.2	13.4
1973	30.2	12.6
1976 (June)	40.3	16.1

It would be useful to note a couple of other characteristics of youth unemployment. It is common belief that the major reason for youth unemployment is that young people are forever skipping around from job to job, or from job to school and back again, testing the water of the job market. But Herbert Bienstock, Regional Commissioner of Labor Statistics (Middle Atlantic Region), points out that about 40 percent of the unemployment of youth was caused by involuntary loss of job, almost doubling between 1973 and the recession of 1975.

The other factor, not so surprising, is the effect of education on unemployment rates. In the young adult group (20–24), in the 1975 period, unemployment for college graduates was 6.3 percent, for high school graduates, 15.6 percent, and for high school drop-outs, 25.9 percent.

These facts suggest certain basic principles which should be established as criteria prior to devising programs to improve employment rates among young people.

In the first place, it is obvious that the problem will not and cannot be solved unless and until the nation can solve the problem of unemployment generally. It is not possible to create jobs for those least educated, those most disadvantaged, those without adequate experience and skills, when millions of others with more education and experience and skills are also unemployed. Approaching a full employment economy will not solve all of the youth unemployment problem, but without a reasonable approximation of full employment, there is no way to solve it. We found this out in the 1960s and 1970s, when despite spending billions of dollars on manpower training, we made ony a modest dent in unemployment levels for the disadvantaged, including youth. Throwing money at some problems, contrary to some current commentators, does help solve them, but spending money to train people when there are inadequate jobs for them at the end of the training period is a recipe for frustration for trainees and trainers alike.

Second, instead of looking for ways to get teenagers into the work force, we should spend more time and money looking for ways to get them back to school. Some young people drop out because they have to support their families. Some kind of family support should be devised to enable them to continue their education to the ultimate level they can handle. Some drop out because of boredom, finding that traditional schooling doesn't meet their needs. There should be more help to school systems to encourage them to devise alternate educational schemes. At the present time we are spending most of our money in this field to provide temporary, low-skill jobs. The money is actually income maintenance. Training for real jobs, must depend first on an economy which has jobs to offer, and secondly on real education, which provides the needed foundation which job training can refine into marketable skills.

Third, let me refer again to our own industry, textile-apparel. In the manufacturing field, we offer more jobs than any other industry, and as I noted before, most of them require low-entry level skills. One would think that the government would regard these job opportunities—almost 2½ million all told—as valuable ammunition in the war on youth unemployment, and would treat these industries

with tender, loving care. Unfortunately, such is not the case. The industry has been steadily losing production and jobs, largely because of rising levels of imports. Our government has had enough regard for these jobs to have instituted, a number of years ago, a program of international negotiations to govern imports of textiles and apparel. But over the years the level of protection afforded these jobs has slowly eroded, until today the ceilings imposed are so high that they have only modest effect. There are other industries like ours, such as shoes, handbags, consumer electronics, furniture and others, which have suffered similar job losses.

The young person walking along the street with a portable radio from Hong Kong dangling from his hand is not working because so many jobs in the electronics industry have been exported. Is it worth it—to him, or to the nation?

Finally, there is the question of wage levels. A number of proposals have surfaced which would claim to solve the youth job problem by putting young people to work at low wages—anything, it seems, to wedge them into the labor force. I have a number of objections to this theory.

First, there is no proof that lower wages will have much effect on teen-age employment. Certainly the opposite has not had any effect. Presumably if a lower minimum wage would be helpful, it should follow that a high minimum wage is damaging. But such is not the case. A Labor Department study in 1970 concluded, after studying the effects of several rises in the minimum wage, that "it was difficult to prove any direct relationship between minimum wages and employment effects on young workers."

Lower wages for youth would not create additional jobs, but could lead to displacement of older workers, largely heads of families. And that is one way we should not solve the problem of youth unemployment.

Furthermore, low wage jobs are an invitation to low productivity, to inefficiency, and eventually even to inflation. With low wage jobs, employers have no incentive to rationalize inefficient jobs and generate productivity gains. We have seen this occur again and again in our history, each time a new wave of unskilled or disadvantaged workers have come into the labor force. It's being said today about illegal aliens: "they are only taking jobs which American workers wouldn't take anyway." It was probably said during each earlier wave of legal migration going back more than 100 years. And it has never been true. A ready supply of "cheap" labor cheapens jobs and removes the motivation to strive for productivity improvements. I saw it myself a few years ago in a garment factory in Hong Kong, where the machinery was antiquated and in poor repair. The owner told me it was not worth it to improve his machinery because the labor was so cheap.

In the United States, that's a recipe for industrial disaster and economic chaos.

There are other reasons for opposing specially low wage levels for youth. Many young people are obliged to help support their families. Paying them inadequate wages simply adds to the welfare burden—and nothing is more inflationary than using government money to pay people without any corresponding increase in goods and services.

Finally, paying low wages probably won't even attract young people into jobs. The cause of youth unemployment, as has been pointed out, is a combination of lack of experience, lack of adequate training, and discrimination. Trying to entice young people into the labor force on the basis of low-wages—particularly without meeting the other problems—would be counter-productive. Young people are not going to flock to the labor market in search of low-wage, low-skill, dead-end jobs. The jobs have to carry with them some measure of self-esteem and future hope, and those factors are not components of low-wage jobs.

Chairman HUMPHREY. Thank you very much, Mr. Samuel.

Senator PERCY. Could I just comment. Let me make this observation. I certainly welcome both of you here. We tried in the Armed Services to use cheap labor with the draft, and we found the labor was wasted, it was squandered, it was ill utilized. When you don't pay for something you don't treat it very well, and I think since we have gone to a voluntary service we have had to be competitive in wages, we have had to pay what people are worth in order to get them, and we then finally used them, not as shoeshine boys or people that pour coffee all the time, but for useful occupations. I think that prin-

ciple is so well proved in the Armed Services that it underscores and validates, Mr. Samuel, your own testimony about the private sector.

Thank you.

Chairman HUMPHREY. Thank you very much, Senator Percy.

Senator Percy is filling in for two or three of us today. I want to thank him for coming by and going back to the Foreign Relations Committee. I am supposed to be there, too.

This is one of the wonderful things about the Senate, you are supposed to be five different places at the same time in three different buildings. It is a beautiful experience if you can do it.

Now, Congressman Moorhead, you have your mayor here. And I want you to go ahead.

Representative MOORHEAD. I would like to first start on what my colleague Andy Young said, which seems to me to summarize somewhat what both of you were saying, and that is that there is no easy transition from school to the job market.

I think, mayor, you said that back 20 or so years ago when you finished high school it was almost automatic that you had a job. There was a little problem about people who didn't graduate from high school, but if you had a high school diploma the job market was sure for you. And yet it clearly has changed now. I think you could say that years back in the same time frame a college degree assured you of a very good white collar job. Now maybe you need some years of graduate school. So maybe we should be thinking about some form of post-high school program. Our community colleges do something, but I don't think they are as clearly focused on the trade school. Can you comment on that, Mr. Mayor?

And then I will call on Mr. Samuel.

Mr. FLAHERTY. It seems to me, that if a youngster is in high school, and he is looking forward to a college career, then there is more incentive for him to stay in high school and get a diploma. That is an area that I see a natural progression to. But if a youngster is in high school and not looking forward to a college career, then it is a whole new ballgame for him, a different ballgame. It is not as desirable for him to look at being a taxi driver or working in a blast furnace for the next 25 years, or watching the production on a conveyor belt, as it might have been 25 or 30 years ago for some of my colleagues who did not go on to school. The very fact that you got work in itself was an incentive.

Representative MOORHEAD. We remember the Great Depression a little more vividly.

Mr. FLAHERTY. Correct. If you were able to get a job, that in itself was fine, and job security was a very established thing. Now, I think if you took a youngster and put him before a lathe in the shop and say, this is your life work for the next 25 years, you have got a steady job of this, instead of getting a desirable response from him or her, it might be a rather shattering experience for the youngster. So you are talking about two things when you are talking about the educational process, those that go into higher education, and those that aren't going to go on. And I think we are talking mostly in the area of whether or not they are not going to go on into a higher education.

There, then, is presented a real problem. Suppose that your older brother or sister has gotten a high school diploma and doesn't have a

job, and he is now 25. And it was pointed out that 40 percent in the black community and something like 20 percent in the white community are unemployed. And in that case the kid looks at it and says, why get a diploma? And you get the dropout which becomes a vicious circle. If there is no job there is no incentive. So maybe the answer lies in some type of incentive other than the one that was the incentive 25 years ago. The thought of an incentive 25 years ago, if you were not going to college, was to get a job running a lathe or driving a taxi or whatever. Now, I think, the incentive has to be somewhat greater incentive for a youngster.

I don't know whether that answers your question.

Maybe you see something in there, Howard.

Mr. SAMUEL. I have a few ideas rolling around in my mind. One of them was the question which was raised by the mayor regarding some way of bringing the world at work closer to the experience of the high school students, with the various aims of some of these suggested programs. I think it has potentialities of being useful.

I also see that it has potentialities of not being very useful at all. This was first proposed a number of years ago by the then Commissioner of Education, who devised a fairly elaborate program. And the specific example which was presented to use when I was a member of the National Manpower Advisory Committee was taking young people in high school and taking some of their hours which normally would be given to academic work and instead turning them over to the local utility company which services my community, which is New York City—this was a few years ago—for training in the world at work. And my reflection is that in those particular days and months the local utility company wasn't even doing a very good job in providing its basic services to the people of New York, meaning electric power. And it seemed to be putting too much of a burden on it to also do a reasonably good training job of young people at the same time.

What I am saying is that most companies in America really do not have the capacity to do very much useful training of young people if they were turned over to them for a few hours a week. Somehow I think work experience should be made a part of the high schools. But we have got to devise some way of making sure it is useful, not simply a boondoggle or waster of time or even a means of exploitation, which it could become also.

Representative MOORHEAD. That would be one way of answering Congressman Young's transition period, to blend the educational period into the job period and then hopefully—I think you said, mayor, you wanted to continue the educational program once the youngster has the job, is that correct?

Mayor FLAHERTY. I think that is right. I think the process has to be a more continuing one, no longer just geared to the 12th grade. And I think there has to be incentives for going on. And the difficulty is whether the incentive would be a job, or money, or higher rates for young people, or some other type of incentive for going on and improving oneself. And that is an area that I think everyone has to look at. The GI bill was a great thing for those who came back from the service. It had a supplement built into it. I know it gave me a few bucks in my pocket to buy a few things, get some gas, and maybe even a beer or two. And that was an incentive for me to go on. And I think

the work incentives would put a few dollars in a young person's pocket if he is able to work at the same time he is going to school. I think that is going to be the answer in the future.

College education is so high that I think that most youngsters would have to do it in more than 4 years, as most of us did. We are going to have to go ahead and do it in a 5- or 6-year period and work part time or even full time while going to school. I think that is in the future, too. I think we can see more of that coming than we have seen in the past.

Representative MOORHEAD. Mayor, you described the lack of incentive to get a job manning a lathe or working in a blast furnace, and he doesn't want to think he is going to do that for the rest of his life. And Mr. Samuel on the last page of his prepared statement talked about dead-end jobs. It seems to me that it is looking forward to something better that inspires people to take on that first job which, like most entering jobs, whether you are a lawyer or an apprentice bricklayer, isn't as inspiring as what you hope to work up to.

And we talked a little bit about the draft, the Volunteer Army, and I remember in the Navy there was always an opportunity to take an examination to go from a third class petty officer to a second class. So you weren't at a dead end job as a seaman. Some people were willing to accept that, but there was that opportunity. It seems to me that if we had a system like that you would get more people willing to take a job as an entering wedge, give them a feeling that it is merely an entering wedge.

Mr. SAMUEL. Could I comment, Congressman. I think we have got to realize that there are different definitions among us of dead end jobs. I think that a job like I mentioned before as a shoeshine boy, that is a dead end job.

Chairman HUMPHREY. Not necessarily. I shined shoes. My first job at the university was cleaning toilets. I never thought much about it. I needed money. I really have to take exception to some of this. And I feel strongly about the incentives and the pay. I know how difficult it is to get somebody who wants to do these things now. I didn't feel it hurt me a bit. As a matter of fact, I was the caretaker of a complex of four homes. My wife scrubbed the floors, I took care of the basement and the storm windows while I was going to the university. And I was 27 years old.

And I also worked in a drugstore.

I don't think it hurt me a bit. I thought it was damned good for me, as a matter of fact.

Mr. SAMUEL. I am not saying that some people might not use the job of shining shoes as a worthwhile job experience.

Chairman HUMPHREY. It wasn't that it was a worthwhile experience, it was just that I needed money and there was a law against stealing it.

Mr. SAMUEL. But you did not continue to do it 30 years later. You got beyond that. I was speaking of somebody taking a job as a shoeshine boy knowing that he would never change, that was his job for the rest of his life.

I think that nowadays when somebody takes a job at a lathe, or on a sewing machine and they are paid $6 or $7 an hour, and they have vacations, and pensions and other kinds of benefits, that is the kind

of incentive that the people want. In fact, we have seen time and again during the period of unemployment in the last couple of years when jobs opened up—I remember that when the city of Atlanta a year or two ago opened some jobs, which are fairly routine but which were nevertheless reasonably well paid jobs, the lines extended for blocks and blocks of people who wanted those jobs. I think the definition of dead end has to be that it doesn't enable that person to raise a family and enjoy somewhat the benefits that life has given us in this country, and not necessarily whether it is routine—it may be technically boring, but the fact is that he can raise a family and live a decent life. And that is what the average person wants.

Chairman HUMPHREY. Congressman Reuss.

Representative REUSS. I want to associate myself with you, Mr. Chairman, about this dead end business. Let's provide jobs. And I think that if you do that people won't be asking so many questions about whether they are dead end or not. The trouble is, there are no job dead ends or open ends.

You both have made absolutely splendid statements. And I am grateful to you. Let me ask Mayor Flaherty about the dimensions of the Pittsburgh problem, because it is like the Milwaukee problem and the Minneapolis problem and the problem of every other city.

You say you have got about a 40-percent unemployment rate in metropolitan Pittsburgh for youth?

Mayor FLAHERTY. For teenagers it varies from 20 to 40 percent. White teenagers is over 20 percent. For blacks you get closer to 40 percent.

Representative REUSS. What you both have said, and I think every member of this committee would agree with you, at least the members here today, is that what this country needs is a meaningful employment program. And what this country also needs is a better educational system which teaches relevant things, and thus eliminates the dropouts. However, we can have both of those things, and we surely should, and Pittsburgh and Milwaukee and scores of other cities will still have stranded within the city, will they not, thousands of unemployed young people?

Mayor FLAHERTY. There is no question about that.

Representative REUSS. But a national program, a macroprogram of full employment by itself is not going to come to grips with the fact that in our cities, and in our pockets of rural unemployment, we have got structural unemployment? Or do you disagree?

Mayor FLAHERTY. Obviously there will always be some unemployment even in times of full employment. So there is built into the system itself a number of areas where even—I understand full employment is 4 percent or something in that vicinity. So you are always supposed to have, as you say, thousands of people that would be unemployed.

Representative REUSS. I hope not always. But I was trying to look at the layers of the onion and say that, first, we have got to get a national employment program, but that does not take care of the pockets, we must do other things.

I like your phrase, when you say, "We must begin to shift the mainstream itself to encompass them"—them being the young people.

In metropolitan Pittsburgh your overall unemployment rate is now 8 percent?

Mayor FLAHERTY. Just about.

Representative REUSS. About as bad as the national?

Mayor FLAHERTY. Right.

Representative REUSS. How many unemployed people below 24 are there in Pittsburgh?

Mayor FLAHERTY. Below the age of 24?

Representative REUSS. Below 24, on the official rolls, leaving aside those that have become discouraged.

Mayor FLAHERTY. As I say, it is a percentage range. Close to 20 percent, from the figures I have heard, of teenagers. And of course it is less as you get up to the age of 25.

Representative REUSS. And the work force is what, a couple of hundred thousand, or more?

Mayor FLAHERTY. If you are talking about the inner city, our total inner city census is around 500,000. If you are talking about the SMSA area, it is 1.5 million. And generally labor statistics that come out of the Labor Department talk about the greater Pittsburgh area, which is 1½ million, in that area.

Representative REUSS. What I am getting at, without being too precise about it, there are in your community today something like 40,000 young people 24 and below able and willing to work who can't get jobs, aren't there? We all have this problem. I am not singling you out.

Mayor FLAHERTY. That is right. I think when you mentioned full employment, one of the advantages of course to full employment is that you have to relate this to young people as well, the more people come into employment jobs, regardless of what their ages are, the more room there are for employing young people. And we had 8 percent, 9 percent, and 10 percent last year, and we are going to have more unemployment in the future.

Representative REUSS. Let me put a thesis to you to see what you think about it. Let's assume that we get going an absolutely splendid national full employment program, full employment without inflation. We don't want to try to get the economy operating at 100 percent of capacity everywhere, but raise the 70 percent Federal Reserve figures of our plant and equipment use today to at least 85 or 90 percent, whatever we can do nationally. If you do all the things at reforming education that we have talked about, you still have left in Pittsburgh and Milwaukee and many other cities large numbers, I am afraid, of unemployed young people. Could it be that our older central cities have a population job mismatch which may require as part of the solution some tailormade way, not only of bringing new jobs and new industry into the central city region—we want to do everything we can there—but of helping particularly the young people who haven't been able to get jobs to go to where there are jobs?

We did it in the case of 1 million Cuban emigres in the early 1960's with very good tailormade programs. And we did it recently in the case of the Vietnamese. Mr. Kissinger wants to do it in far off Rhodesia at the cost of $2 billion. Is there not, therefore, an additional element worth exploring over and beyond everything that has been mentioned; namely, facilitating and assisting those who feel they can get a job elsewhere than wherever they are now to go there, get trained, get a grubstake meanwhile and get relocation allowances, and get

92-043 O - 77 - 3

some of the specialized treatment that we gave—and I am glad we did—to the Cubans and the Vietnamese?

Mayor FLAHERTY. I think you are right. I think there is a need for this. You are getting into the whole field of rehabilitation. The Vietnamese people who came here were farmers, as I understand it. And yet they were assimilated through programs into many jobs throughout the country. If you look at any city, whether Milwaukee or Pittsburgh, there are ways of involving youngsters in something more than just make-work. Artificially created jobs are helpful in a sense that they put a few dollars in the youngster's pocket, but if you can design the job with some kind of work experience and the educational process together, so that he has got a few dollars in his pocket, it can be meaningful. If you can combine the educational process with the work process, it will be much more helpful to it, because he doesn't have this dead end thing staring him in the face.

I worked through college, too, Senator. But that was kind of an ancillary thing. But if you are in this dead end job where you don't have this upgrading where it is not combined—it doesn't work right now because the educational process is so separate from the employment. And then the two, I think, have to somehow be brought in closer to coordination, closer cooperation. There are two separate units. And I think this can be done by some of the way manpower programs are brought about here at this level.

Representative REUSS. You know that Americans have been mobile in the past, the Flaherty's, the Reuss's and the rest of us have gone where the jobs were. And sometimes they looked like dead end jobs until it is proved different. The Homestead Act, the Land Grant Act, the northwest ordinance, all this facilitated that.

However, I am glad that you don't exclude the mobility approach to whatever else you have done.

Thank you very much.

Chairman HUMPHREY. Thank you. I want to spend a little time with you now. I wanted my colleagues to open up the questioning.

I want it clear that I don't advocate dead end jobs. But I will tell you what I do advocate. I think work is a therapy. I think idleness is a disease which grows on you. It is terminal too if you keep at it long enough.

And therefore I am an old fashioned work-ethic midwestern type of guy. For example, when I leave here and go out to Minnesota I don't hesitate to get out in the morning and move rocks, cut down trees, clean the garage. My wife is often after me because, she says, I always am cleaning up the garage. I like work. I think it is good for you. I think it gives you some muscle tone if it doesn't do anything else, dead end or not dead end.

And there is nothing more deadening than just sitting around. And there is nothing more deadening than just standing on the street corner. And therefore, while I am not advocating dead ends, how do you know until you start?

In North Dakota in 1936 it was dead end. The whole thing was just terrible. There was nothing there but dust and grasshoppers. I had to drive to Minnesota to get out of it. I was desperate, physically and emotionally upset.

We didn't know that we were poor. Everybody was poor. So that poverty wasn't something that we thought about. Everybody in town was poor. Nobody had any money. All the banks were closed. We bartered like some of you older folks here in the room remember. My father ran a business. We didn't have cash. We took in chickens for medicine, and we gave medicine away because they couldn't pay the bill.

Those are days that I remember. That has left an impact on me.

When I get up and all my brilliant friends tell me about all these training programs and so forth which I voted for, I am for them.

But I will tell you something, sometimes you have got to get people to work. There are streets that need to be cleaned. It is not beneath anybody. After all, I spent my time cleaning streets. I am proud of it. It gave me some appreciation of the other guy's job.

I don't think this job that I have got here is particularly the best one I have ever had. As a matter of fact, it is the longest houred one I ever had. And sometimes you get some satisfaction out of knowing at least that you did something in the construction project.

Having said that, I come back to the importance of what has been said here about the schooling program and education. We need to take a look at what Congressman Reuss and Congressman Moorehead and you have said. It isn't just putting somebody in school, because the kids know that, that is just putting them on the shelf too for awhile. The question is, what are they going to do when they are in school. And our old educational system has to be redesigned somewhat toward the education and the work experience needed to give our young people some background.

In my life I didn't have to have an educator to teach me what I needed to do. I had a father. I grew up in a small town, in a small business. I was there with my daddy. He taught me. My mother taught me. My uncle taught me. But I stood at 5:30 a.m. this morning in front of a plant gate in Wilmington, and every man that went into that General Motors plant couldn't bring his kid along and teach him how to work in the plant. And those are fine middle-income people working in that plant. Even that kind of group couldn't teach their young people how to work in that plant.

And the home family situation today is different. If you are running a big supermarket today or a big company you can't bring your own kid in there and have him messing around with you like my father did. It is a different ball game. I know that. And therefore the role of Government is so much more important. All these private enterprises that used to hire all these young people are the very people that can't do it today. And there is a reason for it. I am not scolding them. Why don't they hire them? Because they have had no training and have had no work experience.

A fellow that I work with gave a young man a job. He wrecked a car 3 times on the job, he can't even learn how to drive a car.

Finally I said to my friend, why did you get that new car? And he said, I had to, the other one has been wrecked 3 times.

He was going to rehabilitate that young fellow. It was a noble thing for him to do. But it would have been better to put that young man in some kind of training program to learn how to drive an automobile and take care of it. To change the sparkplugs you don't al-

ways have to go to the filling station. You can learn to do things like that.

What I am getting at is the necessity of public sector designing its efforts in a way that puts people to work, number one, just for the simple purpose of getting them to work. That is No. 1.

No. 2 training, hopefully to get a skill or a semiskill.

And No. 3, the closer coordination between the private sector where most of them ultimately end up, hopefully, and the public sector.

Now, not long ago under the Kennedy and Johnson administrations the U.S. Employment Service conducted a school cooperative program that some of you may be familiar with which put trained placement officers in almost one-half of the high schools in this country, trained placement officers right in the high schools. In Minnesota we had professional job counselors and youth opportunity centers in 470 of the 850 high schools in the State of Minnesota by 1969. I was Chairman of the Youth Opportunity Council of our Federal Government. The first thing that Mr. Nixon and Mr. Agnew did was to abolish the Youth Opportunity Council. The next thing they did was to cut the heart out of the job program, because they said it cost too much.

I went and visited every Job Corps program in the United States. I saw what could happen. I was the author of the Youth Employment Act. S. 1 was its number, the first bill when John Kennedy became President of the of the United States. So I got a full head of steam up on this business. And I will never forgive Richard Nixon and his crowd for a lot of things, but one of the things I won't forgive them for was cutting that job opportunity program to ribbons. They were learning skills, they were learning how to operate heavy machinery, they were learning how to be craftsmen, and they were learning carpentry, they were learning masonry, they were learning how to do things. But the Nixon administration said it was too expensive.

In my State we had, I repeat, 470 out of 850 high schools with job placement people right in high schools. But now that program is defunct nationwide.

And I hold Congress somewhat derelict in this thing, too. We ought to have been shoving it down their throats.

In Minnesota the employment service in Minneapolis and St. Paul area still have 35 professionals who spend 1 or 2 days each year in the inner city high schools and carry on this highly successful program. Now, the reason I mention it, it works. They work with all the companies, the textile industry, the electronic industry, and the Federal Reserve bank. I don't often compliment the Federal Reserve. But they have even been hiring some of these young friends of ours.

I just wonder, have you had that program in Pittsburgh since you became mayor?

When did you become mayor?

Mayor FLAHERTY. In 1970 I took office.

Chairman HUMPHREY. The national effort was canceled out that year.

Mayor FLAHERTY. Right.

I don't think we have much. All we have had is the summer youth program.

Chairman HUMPHREY. Just the summer youth program?

Mayor FLAHERTY. Yes.

Chairman HUMPHREY. Which in itself has done a lot of good things. Do you know what kind of Federal activities or initiatives are underway in your city that you could really put your finger on and identify, outside of the summer youth program?

Mayor FLAHERTY. Well, we have the CETA program, of course.

Chairman HUMPHREY. That is a great program.

Mayor FLAHERTY. The CETA program has been. It has been a big help in a period of high unemployment. Of course you have a period of high unemployment in order to qualify for a number of jobs available. But it has been a transition thing for men and women who have lost their jobs in industry from plants moving out, or from job losses with unemployment. It has been a big help. And it is something of course that you can hold for a year or two and then move on into something else. Hopefully we can move on these people that have been employed in the CETA program. But CETA has been a big help to the city.

Chairman HUMPHREY. You have had a fairly good placement record, as I recall, with CETA. I know that CETA in some places has had more difficulty.

Mayor FLAHERTY. Well, with high unemployment I can't tell you that it has been that good. We have had, even in our own case—if I am going to hire somebody for a permanent city position, if I can move them from CETA into a permanent city position, I do, as positions become available.

Chairman HUMPHREY. I sat down last week with the CETA director in a little town, a medium sized city in my State called St. Cloud. And the CETA program there is doing very good things in both the private and the public sector. You read about it here in Washington. When I am voting on it, I just thought I would go and find out what is going on. It is a really remarkable program. And I want to say to my colleagues, we tried to increase it. But we had these people in the administration who figured that you can't afford things like that and vetoed it.

Mayor FLAHERTY. And we are looking forward to the new public works bill which with your help and the congressman here is coming on. And that has been a big help to the committee in providing employment. We are working to provide the implementation for it. And I think it is going to be a big help.

Chairman HUMPHREY. I would just like to note for the record here—the staff helped me get this information—that about 5 years ago the State department of employment services in my State started its own minioffice program which sets up an employment service office each summer in the small towns around the State that aren't normally served. And its staffs these with one or two young people whose job is to find jobs locally for other young people. It is a kind of public service, young peoples' summer jobs. This program has been so successful that more than 60 such minioffices were opened this past summer, with about 100 young people manning them. And each young person in the minioffice found an average of 100 jobs for other young people, for a total of 10,000 youth jobs in the State from this program alone. That is over and above the summer youth jobs.

In addition, the employment service's regular offices found 20,000 such jobs in the larger cities and towns, and the State legislature

found an additional 5,000 State public service jobs, for a total of 35,000 youth jobs in Minnesota this summer.

And let me tell you, it has had a tremendous impact. The little village, in which I live, of Waverly is now building a recreation park right along the lakefront. They just opened up their tennis courts, and they are opening up their campsites. And all is being done with young people under supervision.

I watched them on this summer youth program. You can look right out on the separate office buildings from my office. And there were five or six young people in this courtyard, and they were not doing anything, because nobody was supervising them.

That is not unusual. I hire some for my place at home, and they won't work until there is somebody on their back. That was the way with me. That is how my father became well acquainted with me. You have got to have somebody on your tail all the time, particularly when you are growing up. And you have got a lot of vitality that you can use if you want to.

What I am getting at is, this can be done.

Mayor FLAHERTY. You have hit on one of the problems, supervision. When Congress provides work jobs, we find one of the difficulties is that they generally do not provide—and I recognize you are dealing with a certain limited amount of resources—for middle management level jobs or much in the way of supervisory jobs. And so when all of a sudden on June 1 when I find myself with 5,000 new employees that are coming on for summer jobs, I never know until perhaps June that I am going to get them in the first place, and then all of a sudden there they are at the door, and we have to hurriedly try to get them to work.

[Off the record discussion.]

Chairman HUMPHREY. Mr. Flaherty, I am not going to keep you any longer. I know that you have given us a lot to think about.

And I want to say to you, Mr. Samuel, that I thoroughly underscore your emphasis upon the educational aspects. I hope that we may hear even more from Mr. Finley and others as to the kind of training that we can put into our school system. That is so vital. That is not CETA as such, but it ties in with work-study concept that we use at the college level. We have a work-study effort at the college level. And somewhere along the line we have to face up to the fact of what this costs in dollars. This is important. I am not trying to put the cost up there as an impediment, I just suggest that we have to cost it out. Because I have learned to live with what we call the alternatives. There isn't any straight line at all, there is no single choice in life. It is alternatives, always.

There is one way that you can save some money, if you are really interested in saving money. Never see a dentist. Never see a doctor. And don't feed people. That will save you money. Of course, you will die. But there are always people that are worried that you are going to spend some money. The interesting thing is that those very same people are the very ones who are spending the money, they are spending the money to fix up the hedge at their home, they are spending the money to send ther sons and daughters to the highest priced colleges. And I applaud them for it, but I don't think that is spending, I think that is investing.

I will never forget the argument over the Job Corps. We priced out what it cost to put somebody through the Job Corps. And it does cost as much to put somebody through the Job Corps as it does to put them through Harvard. And the rates of dropouts in Harvard were higher than the Job Corps.

You hear people saying all the time, he went to Harvard, but nobody ever said, I went to the Job Corps. And some of these Job Corps graduates were pretty good. I had one of them travel with me in 1968. His name is George Foreman. He has made some money since then. He was the world heavyweight champion. He competed in the Olympics in Mexico, and he didn't let the Russians win it. We ought to give him a prize for that, he cold-cocked them, bingo. He held up that little American flag. He was a Job Corps boy.

Mr. Nixon rewarded him and his great achievement by saying we hope this little program will help, and since then the Russians have been the champions.

I want to bring up the other witnesses. Thank you very much.

We have Mrs. Beatrice Reubens, from Columbia; Mr. Bernard Anderson, professor in the Wharton School; and Mr. Paul Barton from the National Manpower Institute.

And might I suggest that if it is agreeable with my colleague, we will go right down the line and hear the testimony of the three witnesses.

Mrs. Reubens, we will start with you. You have heard all of my prejudices this morning.

STATEMENT OF BEATRICE G. REUBENS, SENIOR RESEARCH ASSOCIATE, COLUMBIA UNIVERSITY

Mrs. REUBENS. Some of your remarks fit right in with the things I am going to say. Besides, I believe so much in free speech that I feel even Senators have the right to have unlimited prejudices.

Chairman HUMPHREY. You may proceed.

Mrs. REUBENS. I have been interested in American youth employment and unemployment problems as compared with those of other industrialized countries. I want to compare the unemployment experience, the attitudes toward youth and youth unemployment, and the different kinds of programs that exist in these countries. I have five main topics.

First, some comparison of the actual unemployment experiences.

And second, some discussion of the cause of rising youth unemployment.

Chairman HUMPHREY. Do you have a prepared statement?

Mrs. REUBENS. Yes, I have one copy.

Chairman HUMPHREY. That is all right. I didn't know if you had it for the committee or not.

Mrs. REUBENS. I will talk very briefly from the prepared statement. The five main headings would be the comparison of the youth unemployment experience; some discussion of causes which seem to be common among the countries, although they haven't talked to each other much about this; attitudes in other countries; recession programs; and then some of the longer run programs for the transition from school to work.

In the 1960's we always cited other countries for their low youth unemployment rates and ratios. This has changed, so we must give up this whole approach. In fact, some countries are very close to us in their youth unemployment rates. Because they are very much determined by the overall unemployment rate in a country, and most of these are still lower than our youth rates generally are lower than ours. But if we take the ratio of youth unemployment to adult unemployment as a measure, there are now several countries which have higher ratios than we do.

I recently spent a month in Australia on an official mission, investigating the transition from school to work. They were currently having almost 15 percent youth unemployment, having had 1 percent in the 1960's. It is apparent that American type conditions are beginning to crop up in many countries. And this is natural. We are the industrial leader, the technological leader, and in many ways the social trends leader. Whenever I go abroad, people want to know what is happening here because they expect it to reach them in perhaps 5 years.

Chairman HUMPHREY. I notice that France has now begun to experience a heavy youth unemployment.

Mrs. REUBENS. All of Europe has serious youth unemployment problems, much more than they have had since the end of World War II. They are now trying to explain this new development. I have put together 10 causes that are commonly cited in the industrialized countries for this rise in youth unemployment. These causes do not have the same strength everywhere, but they have some validity. I will mention them quite quickly without going into them, unless someone wants to query me on them.

First, the demographic trends, the pressure from the baby boom. Now, this comes at different times in different countries, but almost every country has had some of it, and in some it is still strong. Germany, for example, is just about to have a heavy increase since they are on a different cycle from us. Their first baby boom was under Hitler in 1939, and their next boom occurred in the 1950's. They are now getting the third round of it. And it comes at an inconvenient time for them because of the recession and the decline in apprenticeships.

Prolonged education, which all the countries have experienced, merely postpones the demographic problem, shifting it to higher occupational levels.

The second cause in youth unemployment is competition from women whose labor force participation has risen sharply.

The third cause is a slowdown in the increase of productivity rates. I believe that Europe has completed its post-war reconstruction, and that they are in quite a different period now. What we admired as full employment may no longer be their experience, and they may look back longingly on that period much as we have looked at them and thought, if we could only imitate them.

The fourth is changes in technology and scale of operations, which has eliminated or reduced many jobs for youth. There is the decline of industries which formerly used a high proportion of young people, and particularly those that could absorb young people with low academic ability. Agriculture is another case.

In the past we could hide a great many things on the farm in terms of people who weren't very competitive. Now, agriculture, having

declined everywhere in employment, is not a refuge for many young people.

Chairman HUMPHREY. Also it requires a great technical ability to run a tractor. To operate a 4-wheel tractor you have to be an engineer practically.

Mrs. REUBENS. Yes; the difference in the ways that industries are run is another aspect of this.

As the fifth cause, one I think is much stronger in Europe than it is here, there is the protection of the existing work force through employment security legislation, or trade union agreements. This is all to the detriment of new entrants, as it protects older workers and those with seniority.

The sixth cause is a rather interesting and touchy subject, the wage issue. What has been happening is a narrowing of the differentials in wage rates and earnings between young and adult workers, with the consequence that employers in many countries feel that young workers are too costly. What is interesting to me is that this development has occurred in countries which over the years have had a youth differential, either legally or through collective bargaining agreements. These arrangements have failed to stem this particular development, namely, that youth wages have risen faster than adult wages. I think that this is a significant aspect of any discussion we in the United States might have about instituting a youth differential in the hope that it would increase youth employment. Unless we recognize that other factors also affect this changing ratio between youth and adult wages, not only the legal provisions, we will be led astray. One factor is the change in the composition of youth jobs. The very elimination of some unskilled jobs that I mentioned has shifted up the average earnings of those youths who are employed. The establishment of higher youth wages may have created a certain amount of youth unemployment, but it is not all due to a uniform minimum wage. I, therefore, take a different position on the uniform minimum wage and discussion about changing it. I believe that a youth differential would be quite ineffective in creating a lot of new jobs, but it wouldn't be as disastrous as some of the opponents of the differential have maintained. Basically, I don't think it is going to contribute a great deal. Since there are political considerations in changing the existing policy, I doubt whether it ought to be undertaken. Perhaps it should be tried out on a small experimental scale, which is a line of action we have used on other issues.

Representative REUSS. You have used it where?

Mrs. REUBENS. We have used some social experimentation like the incentive in New Jersey, the scheme for giving people income supplements to see if it would influence the number of work-hours they put in.

Representative REUSS. I thought you were talking about a lower youth minimum wage.

Mrs. REUBENS. I suggest that it could be experimented with instead of being institutionalized in a national law at once. But I think it is of considerable importance to weigh the other factors that are influencing the actual earnings apart from the minimum wage itself.

Then there is, point eight, a decline in apprenticeship or training vacancies relative to total employment in those countries which have

a high development of this particular method of easing the transition from school to work. This decline appears to be due mainly to technological and cost factors.

Ninth is the matter of youth attitudes toward work. I think that in spite of Senator Humphrey's talk about the value of some dead end jobs, we have to recognize that throughout the world there is a new selectivity about the types of jobs that youth will accept, and much concern about the conditions of work, and hours of work—objections to weekend work or night work. The quality of supervision is something that youth feels a right to challenge. Relieving the pressures at work, enlarging the opportunities for participation and decisionmaking, and improving physical conditions of work—all of these ideas are byproducts of our affluent society which is what we all wanted for our children. But when they start asking for these by-products we get angry at them.

Chairman HUMPHREY. That is my position.

Mrs. REUBENS. These newer views have appeared around the world, and with such similarity of expression that one must take them seriously as a social trend.

The final point is the legal barriers to youth employment, such as the child and youth labor laws. Although many countries cite these laws as obstacles, there has not been very good evidence that they are a serious deterrent to employment. Certainly they can be a nuisance to employers who want to hire youth, but many complaints come from those who don't employ many young people. These laws should be modernized, but it is unlikely that it will have a great effect on youth employment.

This has been a long list of the causes of youth unemployment, and a rather devastating one, if you consider the number of basic conditions which are adverse to youth. It is a major challenge to any full employment policy in the United States, because we, along with Canada and Australia, have a rapidly growing labor force compared to other countries. We don't appreciate enough the extent to which other countries have not had a rapidly growing labor force, even including foreign workers, and therefore have had a much easier job of providing full employment.

There is another way in which some of these foreign countries show less youth unemployment than we do. They exclude in their statistics and also from their unemployment programs any young people who are in full time education and who are seeking jobs during the school year. They simply do not consider this a part of youth unemployment or a problem. Part of the reason they don't consider it a problem is that some countries provide students in high schools with government grants, especially to low income youth, so that they can stay in school. This is one approach to reducing the pressure to take part-time jobs. It is also an approach to providing greater equality of opportunity in education, but it is something that we have hardly explored for secondary education. We have done it mostly at the higher education level, but it is done very widely at the secondary level in other countries.

Since a large proportion of teenage unemployed youth in the United States is in school, one of our policy approaches might be to draw a sharp distinction between in-school and out-of-school youth in the

programs as well as in the statistics on the labor force, employment, and unemployment. Given the dimensions and intractability of American youth unemployment problems, it could be helpful to relegate the in-school youth to the education authorities, who should mount large-scale programs of paid work-study, community service, and other activities that yield some income. This would decrease the competition for jobs between in-school and out-of-school youth, and it might lead to a more productive use of school time and better preparation for work on the part of the in-school youth. At the same time the employment programs can be concentrated on the out-of-school youth who are older, mostly 18 and 19 and are from lower income families than in-school unemployed youth. Out-of-school youth are entering their working lives whereas the in-school youth are seeking part-time work which will not necessarily have much connection with their future.

Turning to attitudes of the society toward youth unemployment, it seems to me that abroad, where people had become accustomed to full employment and the economy easily absorbed all of the new entrants, they take a serious view of youth unemployment both as a recession and a structural problem. They sound as if they had discovered Legionnaire's disease. But our attitude is more like that of somebody who has had a persistent headache, and now his headache is a little bit worse. He says, it is no use doing anything about it, maybe it will get better, I have to live with it. It is that kind of contrast. Youth unemployment in Europe also is a social issue. They have street demonstrations by young unemployed people. And national leaders fear political extremism, among other consequences.

I see three main attitudes abroad toward youth unemployment and what ought to be done about it.

The first is that unemployment constitutes a serious loss to any youth who has trouble in obtaining his first job or in remaining in employment in the early years of his labor market experience. It is damaging to him, it is a bad introduction to working life, and it is unfavorable to the development of his career. I think that this concern for the individual as a part of overall manpower policy is lacking in the United States. We have not extended help to all unemployed youth; but have tended to concentrate on certain disadvantaged groups. The European approach has been that every single unemployed youth emerging from school is a problem. In American terms we would be planning a program for those high school graduates of June 1976 who are still unemployed in October. That kind of overall approach would mark the difference between us and them.

The second attitude toward youth unemployment we also do not take seriously. It is that the movement of young people into the labor force is the most important single way in which the labor force and its average level of skill are renewed and developed. If cyclical or secular developments reduce the intake of new entrants, the Nation and economy lose by youth unemployment. Thus programs for youth are in the national interest. I think it would be quite hard to find American statements which emphasize this aspect. We tend very much to stress help to particular individuals.

The third attitude which I have already mentioned involves the political and social consequences of heavy unemployment. It might be compared to our concern about the social dynamite of inner city

unemployment. That is where we have concentrated our greatest efforts. Yet, without discounting the significance of unemployed minority youth, and the problem they will continue to have because their numbers will be increasing while the number of white youths will not, I think our policy is questionable. We have been providing inadequate measures, quantitatively and qualitatively, for this particular group in light of the desperate situation in the inner cities. And at the same time the overall provision for all unemployed youth with problems—for example, high school dropouts, 70 percent of whom are white—has been minimal. So I see a lack in that area as well.

The kind of recession programs that have been devised in other countries hold no surprises for us. We have pioneered in employment programs, since we have had more reason to have such programs, going back to the thirties. In subsequent years we have had experience with many programs. Senator Humphrey was telling us about some of the earlier programs and what has happened to them. We don't have to go elsewhere to learn about the kind of things that can be done, and what the issues are.

There are also some foreign approaches we probably would reject. For example, many countries now pay unemployment benefits or unemployment assistance to young people who have never worked at all. They have been out of school for 3 months to 6 months without getting jobs, and they go right on these programs. As another example, Belgium is now trying to compel employers to take on extra trainees. And there is a proposed program to foster early retirement so that young people can be taken on.

But where the European programs are acceptable and effective, certain characteristics mark them. These are worth considering in an integrated program.

One, programs are prepared in prosperous periods and go into effect promptly as economic indicators show declines.

Two, general monetary and fiscal measures are well integrated with specific unemployment measures.

Three, within the specific unemployment measures, special programs for youth occupy a position which reflects the social priority attached to this segment of the population.

Four, a sufficient variety of measures and large enough programs are provided to cover the needs of a diverse unemployed population.

Five, provisions for reducing or closing down of programs are set as a response to changes in the economy, and programs are not ended simply for financial reasons.

Six, a set of basic programs for training, mobility—which Congressman Reuss mentioned—income maintenance and other measures is kept permanently in place with cyclical variations in the utilization.

Looking specifically at approaches to the recession, other countries do not utilize public service employment as much as we do, and the newest and most widely used measure in both the all-age programs and youth specific unemployment programs has been subsidies to private enterprises, to encourage training and employment or combinations of both. Subsidies have been offered to private employers and to various levels of government, which is an interesting variant on it. Subsidies are said to make a contribution to output at little cost above the income maintenance payments, which are very substantial in these countries.

One specific suggestion which emerges from recent programs for youth in other countries is the subsidization of employers who normally hire apprentices in programs registered with the Department of Labor. Such subsidies could be granted to employers who are willing to hire extra apprentices and prove their ability to offer the full, prescribed training in occupations where additional craftsmen will be needed.

The introduction of such subsidies might lead to a more permanent form of financial support for apprenticeship, which has been urged on other grounds. The official connections of registered apprenticeships, that is, through the Department of Labor, and the fact that we already have programs to open apprenticeship to minority groups and to women, make this a very suitable kind of youth training to subsidize on an experimental basis. This, of course, would be a very small program. And it still is true, as I said earlier, that I doubt that apprenticeship in this country is going to be one of the major ways of providing a transition from school to work. But I think, marginally, and certainly in a cyclical situation, where the intake of apprentices has undoubtedly been affected by the recession, that one of the things to do is to maintain the intake by some sort of subsidy. This measure is widely used now in all the other countries that I am familiar with.

The final issue is, what do you do about the longer run, about the complaints everywhere concerning the poor preparation of youth for their adult lives and for their working lives. Both the things that are said in criticism and the proposed solutions are really quite similar from one country to another. The differences lie more in what is actually being done in various countries than in what people think would be the best approach. Most believe that it is necessary to bring education into closer proximity to the work world, to inform and counsel young people about the options and conditions they will face, to combine school and workplace, to bring general and vocational education into harmony, to improve job placement and followup services, to involve employers, trade unions and the community, and to devise new forms of education and training for the segment of youth which will not or cannot master the basic part of their skills.

This last group, varying in size from country to country, is not a new phenomenon, but it causes increasing concern as the economy provides fewer and fewer jobs for such youth. There have been remedial and second chance programs. But we haven't very good evidence yet on the effectiveness of any of the programs, because the European countries and Australia have just started to think of having a structural problem and not simply a recession problem.

In the very best of European programs to build bridges between education and work certain elements particularly contribute to effective operations. The legislature sets forth the objectives, guidelines and financing, but leaves to executive agencies the working out of details. The legislation provides for a delay in the startup of the program, as much as 4 or 5 years, in order that adequate preparation may occur. A combination of the education and manpower agencies does the overall planning, establishes the responsibilities of the various agencies at all levels of government and sets up advance training or retraining courses for those who will deliver the actual services. Such advance training is a key factor because it often is necessary to reeducate the person-

nel, since the quality of services depends very much on the quality of the people who deliver them. In the United States we have neglected this aspect.

After the preliminaries are well underway, the new program is introduced gradually, starting in one part of the country or one type of school and expanding to national coverage as trained personnel emerge from the special courses. The entire program is reviewed after it has been in operation for a stipulated number of years, but modifications may be made by the executive agencies without recourse to legislative action within the experimental period.

This model doesn't really exist everywhere, but it is a goal, and I have seen it in operation in some places.

For a conclusion I will state quickly what the European Community has just adopted as a program for unemployed youth in all their member countries. To meet the situation in which they believe that a large part of unemployed youth have serious deficiencies in vocational preparation, they propose five measures: Individual guidance to establish the abilities of young people; relate education to the institution of employment and to training opportunities; reenforcement and application of basic educational skills, such as verbal and written expression, elementary mathematics; contextual studies, such as basic principles of economic and social organization, role of trade unions and employee's organizations, and the laws relating to social security and workers rights; practical training in a broad skills area to qualify youth to begin a career in the chosen area and to undertake more advanced training at a later stage; practical experience of work either in an enterprise or in a publicly financed work creation program.

And those are the five elements. They want to have this program adopted in each of the member countries. These, then, are measures that have actually been voted in the European parliament.

Thank you very much.

[The prepared statement of Mrs. Reubens, together with a policy paper entitled "Foreign and American Experience With the Youth Transition" follow:]

PREPARED STATEMENT OF BEATRICE G. REUBENS

YOUTH UNEMPLOYMENT AND THE TRANSITION FROM SCHOOL TO WORK

Some perspective on American problems of youth unemployment and transition may be obtained from an examination of the experience, attitudes, and programs of other countries, making due allowance for the economic, demographic, social and political differences among the countries.

Many industrialized countries which enjoyed low youth unemployment rates and low ratios of youth to adult unemployment in the 1960's now have discovered serious youth employment problems. While the recession which began in 1974 may be the major new factor in some countries, others fear than longer-run forces are at work. It is no longer valid for American analysts to cite favorable youth unemployment rates of other countries or to point to institutions which we lack as causes of their success. Those institutions either have been undermined as economic development has followed American patterns, or else they were not accurate explanations of the earlier low unemployment.

As other countries seek to understand their new youth unemployment, one is struck first by the recurrence of the same explanations from one country to another and second by the applicability of the explanations to the United States. Of course the timing, sequence, and severity of the specific causes vary from country to country, but a list of the reasons currently given abroad may help

us to understand our own development of a persistent youth employment problem in the 1960's, before other countries and in keeping with our precedence in economic and social trends. The leading causes cited are:

1. Pressure of numbers of young people coming on to the labor market as a result of demographic trends. Prolonged education merely postpones the problem and shifts it to higher occupational levels.

2. Competition from women whose labor force participation rates have risen sharply.

3. Slowdown in the increase of productivity rates. The completion of European post-war reconstruction may mark a new economic period for those countries.

4. Changes in technology and the scale of operations which eliminates or reduces jobs for youth.

5. Decline of industries which used a high proportion of young people and could absorb those with low academic ability.

6. Protection of the existing work force through employment security legislation or agreements to the detriment of new entrants.

7. Narrowing of the actual wage and earnings differentials between youth and adult workers, with the consequence that employers feel young workers are too costly. The fact that this wage movement has occurred in countries which have no legal minimum wage is of crucial significance for the argument that a youth differential in the American minimum wage would lead to an increase in employment.

8. A decline in apprenticeship vacancies relative to total employment in the countries which had highly developed this method of easing the transition from school to work. The decline appears to be due to technologic and cost factors primarily.

9. Youth attitudes toward work. Selectivity about the type of job, the conditions of work (hours, quality of supervision, pressures, opportunities for participation in decision-making, physical conditions), and the balance between work and other aspects of life have raised conflicts between youth and employers.

10. Legal and other barriers to youth employment in regard to age, permitted hours of work, other protective provisions, licensing, etc. While this factor is mentioned in almost every country, its actual impact is poorly documented.

While some of these factors may be amenable to change and others, especially the demographic pressure, will decrease in the years ahead, there are powerful trends in the economy and labor market which set youth at a disadvantage against other age groups. To counter these is a formidable challenge to a full employment policy, especially in the U.S. or Canada which have such a rapidly growing labor force. It is not generally realized that the countries which earned American admiration for maintaining full employment and very low youth unemployment before the present recession had, except for Australia, a much slower growth of the total and youth labor force, even when foreign workers are included. Full employment was easier to achieve.

Another way in which foreign countries may show less youth unemployment than the United States is by exclusion from the statistics of young people who are in full-time education and who seek jobs during the school year. They are counted neither in the labor force nor in the unemployment totals. The proportion of young people at school who are also in the labor force tends to be lower in other countries than in the United States, in part because their studies are more demanding and in part because many receive government study grants which prohibit or limit work while studying.

Since a large proportion of teenage unemployed youth in the United States is in school, one policy approach might be to draw a sharp distinction between in-school and out-of-school youth in statistics and programs dealing with the labor force, employment and unemployment. Given the dimensions of the American youth unemployment problem, it could be helpful to relegate the in-school youth to the education authorities who should have programs for paid work-study, community service and other activities yielding some income. Not only will this decrease the competition for jobs between in and out-of-school youth, it might lead to more productive use of time and better preparation for work on the part of in-school youth. At the same time, employment programs can be concentrated on the out-of-school youth, as is the practice abroad.

Attitudes toward youth unemployment

Foreign countries tend, on the whole, to regard youth unemployment as a more serious social ill than we do, especially if they have been accustomed

to a rapid absorption of each cohort of new entrants. Without giving youth precedence over adults, they show concern over three aspects of youth unemployment:

1. Difficulty in obtaining a first job or in remaining in employment in the early years of labor market experience is seen as damaging to the individual, a bad introduction to working life, and unfavorable to the development of careers. This approach leads to a concern for all youth unemployed and the design of many programs for individuals rather than disadvantaged groups.

2. The movement of young people into the labor force is regarded as the most important single way in which the labor force and its average level of skill are renewed and developed. If cyclical or secular developments reduce the intake of new entrants, the nation and the economy lose by youth unemployment. Programs are thus in the national interest.

3. A rise in youth unemployment is feared because of its political and social consequences—street demonstrations, strengthening of political movements on the left or right, as well as increases in delinquency, crime and other costly outlets.

It might be said that the U.S. has given little attention to the first two aspects in recent years and has largely limited its efforts to countering the social dynamite of unemployed minority youth in inner cities. Without discounting the significance of this group, it can be said that the measures devised to cope with their problems have been inadequate and at the same time the overall provision for needy unemployed youth—the vast majority of whom are white—has been minimal.

Recession programs for youth

There are no ingenious new programs anywhere else that we do not know about from our own experience, which other countries study for their programs. There are some foreign approaches that we probably would not want to adopt—for example, paying unemployment benefits or assistance to those who never have worked since leaving school, or compelling employers to take on trainees, or fostering early retirement with the proviso that a young person should be taken on as a replacement.

National policies to cope with youth unemployment have established separate programs for youth because of the special needs of new entrants, and these programs have sometimes been extended to include other young people. In addition, many manpower programs have no age restrictions.

In the countries whose unemployment programs seem outstanding, the following characteristics appear significant:

a. Programs are prepared in prosperous periods and go into effect promptly as economic indicators show declines.

b. General monetary and fiscal measures are well integrated with specific unemployment measures.

c. Within the specific unemployment measures, special programs for youth occupy a position which reflects the social priority attached to this segment of the population.

d. A sufficient variety of measures and large enough programs are provided to cover the needs of a diverse unemployed population.

e. Provisions for reducing or closing down of programs are set as a response to changes in the economy, and programs are not ended simply for financial reasons.

f. A set of basic programs for training, mobility, income maintenance and other measures is kept permanently in place with cyclical variations in the utilization.

Comparing the actual programs in the U.S. with those of other countries in the present recession, one observes not only a greater variety abroad but also relatively less dependence on public service employment. Instead, one of the newer and most widely used types of measure in both all-age and youth specific unemployment programs abroad has been the subsidy to encourage training and employment or combinations of both. Subsidies have been offered to private employers and to various levels of government in an effort to encourage the same intake of young trainees, apprentices and workers as before the recession. Such programs also are advocated for their contribution to output at little cost above the income maintenance payments.

One specific suggestion which emerges from recent programs for youth in other countries is the subsidization of employers who normally hire apprentices in programs registered with the Department of Labor. Such subsidies would be

granted to employers who are willing to hire extra apprentices and prove their ability to offer the full, prescribed training in occupations where additional craftsmen will be needed. The introduction of such subsidies might lead to a more permanent form of financial support for apprenticeship. Both the official connections of registered apprenticeships and the existence of programs to open apprenticeship to minority groups and women make this a suitable kind of youth training to subsidize, although it is likely to be a small program at best.

Youth transition programs

To a surprising extent various nations are following a parallel course in appraising and prescribing for the structural problems affecting at least a portion of their teenagers. The dissatisfaction expressed in the United States with high school education and the consequent attention to Career Education has not been repeated precisely elsewhere, but other nations are seeking to bring education into closer proximity to the world of work, to inform young people about the options and conditions they will face, to combine school and the workplace, to bring general and vocational education into harmony, and to devise new forms of education/training for the segment of youth which will not or cannot master the basic cognitive skills. The last group, varying in size from country to country, is not a new phenomenon, but it causes increasing concern as the economy provides fewer and fewer jobs for such youth. Special programs have been instituted for remedial work and second-chance opportunities, but it is too early to appraise them.

In the very best of European programs to build bridges between education and work certain elements particularly contribute to effective operations. The legislature sets forth the objectives, guidelines and financing, but leaves to executive agencies the working out of details. The legislation provides for a delay in the start-up of the program, as much as four or five years, in order that adequate preparation may occur. A combination of the education and manpower agencies does the overall planning, establishes the responsibilities of the various agencies at all levels of government and sets up advance training or retraining courses for those who will deliver the actual services. Such advance training is a key factor, too often neglected in American social programs. After the preliminaries are well under way, the new program is introduced gradually, starting in one part of the country or one type of school and expanding to national coverage as trained personnel emerge from the special courses. The entire program is reviewed after it has been in operation for a stipulated number of years, but modifications may be made by the executive agencies without recourse to legislative action within the experimental period.

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FOREIGN AND AMERICAN EXPERIENCE WITH THE YOUTH TRANSITION[1]

Beatrice G. Reubens

INTRODUCTION

During most of the 1960s, youth unemployment was not a major concern of Australia, Japan, or the countries of northwest Europe, and their perceptions of the transition from school to work therefore lack the American emphasis on this aspect. Having lived through earlier periods of high unemployment that overwhelmed programs to ease the movement from school to work, most of these countries believe that full employment conditions and general economic vitality are the key to holding down youth and other unemployment. In fact, rising unemployment is perceived as an external force that is disruptive of efforts to provide effective transition services, and these in turn are seen as having at best a marginal influence on high unemployment rates.

Under the benign influence of a strong demand for young workers, many of these countries have developed elaborate systems of transition services--information, guidance, placement, induction, and follow-up. The purpose of these systems is to facilitate the adjustment of the individual and, in some countries, to meet national manpower needs as well. Labor shortages have given many young people opportunities to choose among jobs and to enter the occupational hierarchy at higher levels than would be possible in less favorable times. For this reason and perhaps because class divisions and traditions are stronger abroad, the American preoccupation with providing adult-type jobs for youth has made only slight inroads.

In Sweden, moreover, where egalitarianism is highly developed, youth are not regarded as discriminated against if they are directed to "beginners'" jobs. If such jobs must be done in society, youth are considered the most suitable candidates, both in terms of their later opportunities and their lesser need for income before they establish families. Equality for women in the labor market takes precedence in any case. Reflecting national attitudes, recent Swedish analyses of the low-income population omit earners under 25 years of age. Given the educational advantage over their elders that most of today's youth enjoy, many Swedes see the problem as one of aiding the older worker and improving work generally. Efforts in this direction, from which young workers also benefit, are said to have reduced new entrants' bias against blue collar jobs.

[1] In FROM SCHOOL TO WORK: Improving the Transition. National Commission for Manpower Policy. Washington: GPO, 1976.

In some of the foreign nations, new entrants are eagerly sought by employers who are willing to take youngsters without occupational skills or previous work experience; Japan, Great Britain, West Germany, Switzerland, and Austria are among the countries where the transition is eased because employers recruit young people straight from school and provide training for at least a portion of them. This acceptance of youth is less common in Belgium and France, for example, and it is even less visible in the United States, where both employers and trade unions exhibit little interest in absorbing the new entrants to the labor market.

The transition abroad is viewed primarily as a movement from full-time school to full-time work; the significance of vacation and part-time jobs is discounted. The emphasis has been on the sharp and abrupt change in environment for 15-to-16-year-old adolescents facing physical, social, and psychological maturation problems at the same time. In contrast, the American perception, expressed recently by Willard Wirtz in *The Boundless Resource*, is that most of the young people approaching the transition are not only in school but also already in the work force. The Europeans may modify their conception of a once-and-for-all transition as increasing opportunities to return to education are offered in those countries and as more young people hold part-time jobs while attending school. In some countries the academic demands of school together with government financial support to young people who continue education beyond the legal minimum age, especially those in low-income families, limit the number who simultaneously participate in the labor force.

Because we in the United States have equated a good transition primarily with low youth unemployment rates, it is necessary to consider the extent and causes of youth unemployment in the various countries in comparison with the American experience. It is important also to review current experience with the transition in several countries because problems have arisen that resemble those the United States has had for some time. The efficacy of foreign apprenticeship, differential youth wage rates, and transition services will be explored. Finally, the policy initiatives of foreign countries will be described and evaluated in terms of their relevance to the American situation.

YOUTH UNEMPLOYMENT RATES

Comparisons of youth unemployment rates rest in the first instance on the differences in overall rates that remain among countries after conceptual and methodological variations in the data are minimized. Table 1 presents the range of total unemployment rates in the period 1960-74 for nine countries, together with the average annual growth rates of GNP, the civilian labor force, civilian employment, and the teenage labor force. Of the three countries with a substantial increase of the labor force, only Australia managed to maintain low unemployment rates. Canada and the United States, unlike Australia, were under pressure from

Table 1

Average Annual Rates of Change in Real GNP, Civilian Labor Force, Civilian Employment, and Teenage Labor Force; and Low and High Total Unemployment Rates, 9 Countries, 1960-74; Projected Annual Rate of Change in Teenage Population, 1965-80, 1975-85

Country	Total Unemployment Rates		Real GNP	Civilian Labor Force	Civilian Employment	Teenage Labor Force[g]	Teenage[d] Population	
	Low	High					1965-80	1975-85
United States	3.5	6.7	3.8	2.0	2.0	4.4	1.5	-1.6
Out-of-School	--	--	--	--	--	3.3[c]	2.8[c]	
In-School	--	--	--	--	--	10.0[c]	4.9[c]	
Australia	1.3	3.0	5.2	2.5[a]	2.5[a]	0.4[a]		.5
Canada	3.6	7.1	5.3	3.0	3.0	4.3[h]	2.0	-1.7
France	1.3	3.1	5.6	1.1	.9	-3.4[h]	-.3	.1
W. Germany	.3	2.1	4.4	0[e]	0[e]	-2.6[i]	2.0	.8
Italy	2.7	4.3	5.1	-.5	-.5	-4.0		1.2
Japan	1.1	1.7	9.5	1.3[b]	1.3[b]	-6.0[b]	-1.8	1.1
Sweden	1.2	2.7	3.8[f]	.8[b]	.7[b]	-2.2[b]	-.9[f]	1.1
Great Britain	2.0	4.2	2.7[f]	.2	.1	1.7[j]	.7[f]	.8

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology, Division of Foreign Labor Statistics and Trade, supplemented by *Manpower Report of the President* (1975), Tables B-6, B-7; Great Britain, Department of Employment *Gazette* (July 1975), p. 658.

Note: BLS data are adjusted to international concepts. Changes from 1960 to 1974 computed by least squares.

[a] 1964-74.

[b] 1961-74.

[c] 1960-73. October data only. *Manpower Report of the President* (1975), Tables B-6, B-7.

[d] 1965-80. OECD, Conference on Policies for Educational Growth (Paris, 1970), UN.STP(70) 6, Annex III, pp. 121-23.

[e] Negligible.

[f] United Kingdom.

[g] According to national definitions, teenage labor force 15-19, except 14-19 in Italy and 16-19 in U.S., France, Sweden.

[h] March 1963-73.

[i] October 1960-May 1973.

[j] 1961-71. Corrected census of 1961, census of 1971. Department of Employment *Gazette* (July 1975), p. 658.

a fast-growing teenage labor force, which undoubtedly contributed to higher rates of both overall and teenage unemployment. The projected teenage population for 1975-85 shows a reversal of position among the countries, with potential effects on unemployment.

The low unemployment rates of the European countries and Japan from 1960 to 1974 were achieved under conditions of slow or negative growth of the total and the teenage labor force, even after foreign workers are counted. Indeed, it is often overlooked that these countries created relatively fewer net new jobs than did the countries that had high unemployment rates. Among the latter, the United States had an unusually high rate of job creation in view of its low rate of increase of GNP. Qualitative differences in the type of jobs created are related to the amount and incidence of unemployment. Some countries shifted their labor force from low productivity agriculture to high wage manufacturing, whereas others, like the United States, had the greatest rate of increase in service sector employment, with many part-time, low-level jobs added to the total.

For comparative purposes, the most meaningful measure of teenage unemployment is the ratio of teenage unemployment rates to adult or total unemployment rates. Although there is less objection to using unmodified national statistics in this computation than in unemployment rates as such, it is still true that international comparisons are best made from ratios derived from unemployment rates that have been standardized according to international definitions. The U.S. Bureau of Labor Statistics has pioneered in this work; Table 2 presents the available data which unfortunately are not reliably comparative before 1968. Even in the standardized version, it should be noted that the lower age limit for teenagers varies somewhat. Possibly the Italian figures should be adjusted to exclude 14-year-olds, who are legally allowed to leave school but may not be legally employed until they reach 15; as a consequence 14-year-olds show unemployment rates of over 40 percent.

The ratios in Table 2 indicate that the United States and Italy were at the high end of the range in 1968 and 1970. But more recently the ratios have exhibited a rising trend in other countries, notably Australia and Sweden, which surpassed the U.S. by 1974, as indicated by Table 2; also in France, Britain, The Netherlands, Finland, and other countries, according to national data. This trend has caused concern in several countries about new youth problems, described below in greater detail.

Unemployment rates capture inadequately the full range of unemployment difficulties experienced by youth. A full assessment would also include comparative data, presently hard to come by, on the duration of unemployment, changes in labor force participation rates, involuntary part-time work, and underemployment. These factors are of particular interest during a cyclical downturn, when youth in many countries are disproportionately affected. At this point, however, comparative information is available chiefly about youth unemployment rates.

Table 2

Teenage Unemployment Rates and the Ratios of Teenage to Adult (25-54) Unemployment Rates in 9 Countries, 1960-75.

Country	Age	Teenage Unemployment Rates (annual av.)						Ratio of Teenage to Adult (25-54) Unemployment Rates					
		1960	1965	1968	1970	1974	1975	1968	1970	1972	1973	1974	1975
United States	16-19	14.7	14.8	12.7	15.3	16.0	20.2[h]	3.5	4.5			4.2	3.1[h]
Out-of-School[a]	16-19	13.6	13.3	12.5	17.2	14.6							
In-School[a]	16-19	10.[illegible]	10.9	10.9	15.7	19.6							
Australia	15-19			4.2	3.9	6.9		4.2	3.9			4.6	
Canada	15-19	13.1[c]	8.8[c]	11.3	14.3	12.2		3.1	3.3			3.2	
France	16-19	6.6[k]	5.1[k]	7.4[g]	7.0[g]			4.0	3.9				
W. Germany[f]	15-19			3.8[f]	2.0	1.8		3.3	4.0		3.6		
Italy	14-19	9.3	10.3	13.6	12.9	18.4		6.2	7.2	9.7			
Japan	15-19	1.5[b]	1.5[b]	2.3	2.0	2.6		2.3	2.2			2.4	
Sweden	16-19		2.9	3.6	4.5	6.8	5.7[i]	3.3	4.1			5.2	6.3[i]
Great Britain[d]	15-19	0.8	1.3	3.0	4.4	4.2[e]			2.1[j]				

SOURCE: National data for 1960, 1965, 1975. For 1968-74 (except British unemployment rates), U.S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology, Division of Foreign Labor Statistics and Trade.

Notes: 1968-74 data adjusted to international concepts, except for British unemployment rates.

[a]October data only for 1960-70. *Manpower Report of the President* (1975), Tables B-6, B-7. Data for 1974 is annual average. *Monthly Labor Review* (November 1975), p. 8.

[b]Office of the Prime Minister, Bureau of Statistics, *Annual Report on the Labor Force* (Tokyo, 1969).

[c]14-19. Dominion Bureau of Statistics, Special Surveys Division, unpublished.

[d]Males only in July. Manpower Services Commission, *There's Work to be Done* (London: HMSO, 1974), p. 28.

[e]1973.

[f]Data for April in 1968 and 1970 and May 1973. April 1968 rate may be too high due to change in date of ending school year.

[g]Data for March.

[h]Average January-September 1975.

[i]Second quarter 1975.

[j]April 1971.

[k]14-19.

Teenage unemployment rates, as shown in Table 2, suggest some positive correspondence to the rate of change in the teenage labor force (Table 1) and the teenage share of the labor force (Table 3). But several countries with a negative or low teenage labor force growth and a small proportion of the labor force in the teenage category--for example, France, Italy, and Sweden--have substantial youth unemployment. For the United States, the interesting feature is the closing of the gap between the unemployment rates of in-school and out-of-school youth; in 1974, as Table 2 indicates, the in-school rate surpassed the out-of-school rate, reversing the historical trend.

The American concern with employment and unemployment among in-school youth is unmatched elsewhere. No other country has so large a proportion of those in school also in the labor force during the school year

or counts them so meticulously, even if they work a few hours a week. Some countries count students as in the labor force when they seek or hold vacation jobs, but others omit even these students, and few actually count them during the school year. Thus, in most countries, teenagers are of no concern unless they have left school. As Table 4 indicates, many countries have substantially higher proportions of the age group out of school than is evident in the United States.

Over the years, the trend in the U.S. has been for a sharper rise in the number of in-school teenagers who are included in the labor force than has occurred among out-of-school youth (from 1,492,000 in 1955 to 4,360,000 in 1973 for the enrolled, against 2,640,000 in 1955 to 3,949,000 in 1973 for the nonenrolled). Table 3 indicates how much of the pressure for jobs comes from the in-school teenagers and how it has grown since 1960, while the share of the labor force attributable to out-of-school teenagers was lower in 1974 than it had been in 1960. If all American in-school teenagers who were reported as unemployed in October 1973 were removed from the ranks of the unemployed, the total number of teenage unemployed would be decreased by almost 54 percent; the annual average unemployment data for 1974 show a smaller reduction, 35 percent.

The importance of the American in-school teenage labor force is indicated in a comparison with Great Britain. If in-school teenagers are not counted as part of the labor force, the 1972 participation rate of American 16-to-17-year-olds declines from 39.4 percent to 6.6 percent. But a similar calculation for 15-to-17-year-olds in Britain in 1972 reduces the participation rate much less: from 66.2 percent to 50 percent.

Certainly, for comparative purposes, all American data should distinguish between in-school and out-of-school teenagers. But it can also be argued that it is time for American policy to take a hard look at the distinct characteristics and needs of the two groups and to consider the possibility of separate treatment on a larger scale than has heretofore been attempted. Given the size and intractability of the youth unemployment problem in the United States, the competition for jobs between the two groups, the community needs that youth can meet through organized job creation, and the social costs of idleness, it would seem useful to divide the teenagers according to their educational status.

Another division that suggests itself, both for statistical and policy purposes, and for all countries, not just the United States, is between younger and older teenagers. The under-18s have a different experience in most countries than the 18-to-19-year-olds. In fact, most countries did in the past make such a distinction in their data collection. Unfortunately, under the impact of American and international agency statistical influence, a good deal of this information no longer is processed, and all the under-20s are put in a single group. The major difference between the two age groups in the United States is that the overwhelming proportion

Table 3

Teenagers as a Percentage of the Labor Force, 9 Countries, 1960, 1970, 1974, and Estimate for 1980

Country	Age	1960	1970	1974	1980 est.
United States	16-19	7.0	8.8	9.7	8.2[i]
Out-of-School	16-19	4.2	3.9	2.8[g]	
In-School	16-19	2.8	4.9	6.9[g]	
Australia	15-19	14.3[a]	12.1	11.5	
Canada	15-19	9.4[b]	9.7	11.1	
France	16-19	8.0[b]	6.2	5.1	
W. Germany	15-19	11.0	8.4	7.7	
Italy	14-19	12.2	8.1	7.2	
Japan	15-19	10.1[d]	5.9	3.6	
Sweden	16-19	8.8[d]	5.7	5.9	5.1[h]
Great Britain	15-19	10.9[e]	8.6[e]		7.1[f]

SOURCE: U. S. Department of Labor, Bureau of Labor Statistics, Office of Productivity and Technology, Division of Foreign Labor Statistics and Trade.

Note: BLS data are adjusted to international concepts.

[a]1964.

[b]March 1963 and March 1973.

[c]May 1973.

[d]1961.

[e]Censuses of 1961 and 1971. Department of Employment *Gazette* (October 1975), p. 982.

[f]Estimate for 16-19 in 1981. Department of Employment *Gazette* (December 1975), p. 1260.

[g]*Monthly Labor Review*, (November 1975), Table 5, p. 8.

[h]15-19. Central Statistical Bureau (SCB), *Labour Resources 1965-1990* Forecasting Information, 1971:5, p. 70, Appendix Table E.

[i]Denis F. Johnston, "The U.S. Labor Force: Projections to 1990," *Monthly Labor Review* (July 1973), Table 1.

Table 4

Percentage of 16-to-19-Year-Olds in Educational Institutions, All Levels, Both Sexes, Selected Countries, Recent Year, 1966-72

Country	Year	Age			
		16	17	18	19
United States	1970	94.1	86.9	58.1	45.4
Australia	1972	54.9	36.3	18.0	10.7
Belgium	1969	70.8	52.8	36.7	25.6
Canada	1970	87.1	69.0	45.5	30.3
France	1970	62.6	45.5	30.6	21.8
W. Germany	1969	31.3	19.2	12.9	9.6
Italy	1966	33.6	27.4	19.7	11.0
Japan	1970	80.0	74.8	29.5	22.0
Netherlands	1972	68.7	46.3	28.8	18.3
Norway	1970	71.0	50.3	40.6	28.9
Sweden	1972	73.7	60.7	40.7	24.0
United Kingdom	1970	41.6	25.9	17.4	13.7

SOURCE: OECD, *Educational Statistics Yearbook*, vol. 2, Country Tables, (Paris), 1975, *passim*.

of 16-to-17-year-olds are *in* school (89.3 percent in October 1973 and 63.2 percent for the whole year 1974). But most 18-to-19-year-olds are *out* of school (57.1 percent in October 1973 and 68.2 percent for the whole year 1974). Moreover, 83.4 percent of the 16-to-17-year-olds in the labor force in October 1973 and 46.4 percent throughout 1974 were also in school, against under 30 percent for the 18-to-19-year-olds in October 1973 and only 16.4 percent in 1974. More of the 16-to-17-year-old unemployed are in school than out, but the reverse is true of 18-to-19-year-olds. Such differences are significant enough to warrant separate policy initiatives for the two age groups, apart from differences in treatment according to educational status.

American interest in minority youth is stronger than is the concern in other countries. In fact, other countries have little to teach us on this subject, either because they have few problems or because they have not yet recognized or researched them. Britain has followed us closely in awareness and action on their minority youth, whose problems are a mixture of racial discrimination and immigrant status. Many British were disturbed to learn through their 1971 census that teenagers born in the West Indies had an unemployment rate of 16.9 percent, while all teenagers had a 7.6 percent rate. This ratio is of the same order as the American ratios between white and nonwhite teenage unemployment rates in recent years.

Differences in youth unemployment rates according to sex and residence concern most countries. It is difficult to say why girls in one group of countries consistently have lower unemployment rates than boys, while in another group of countries the reverse is true. The lack of service sector jobs, family attitudes influencing girls to remain at home, less geographical mobility, more leisurely job search, and similar factors have been suggested as explanations for higher rates for girls in France.

Almost universally, rural youth are seen as at a disadvantage and have higher unemployment rates even after large numbers of them have moved out of the countryside. The large regional differences that are a serious problem in most other countries are less apparent and certainly less discussed in factual or policy terms in the United States. Some of the foreign countries have developed noteworthy programs to cope with the needs of youth, usually over 18, who must move elsewhere.

NEW ENTRANTS

Thus far the comparative information presented on teenage unemployment has not distinguished between new entrants and other young people. Yet the concept of the transition implies that special attention should focus on the experience of those who are seeking their first full-time jobs after leaving full-time education.

The data on new entrants--while not so complete, recent, or comparable as might be desired--are valuable because they depict the situation of the entire cohort of new entrants, not just the unemployed segment, and provide a longitudinal instead of a cross-sectional view. My comparative analysis of these data, focusing on the length of time taken by new entrants, to locate their first full-time jobs, yields the following findings:

- A substantial proportion of teenagers enter their first jobs without suffering any unemployment at all. Since the jobs they locate while they are still at school appear to be equal to or better than those found by comparable classmates after leaving school, doubt is cast on the theoretical job-search model that assumes the necessity for unempoyment as the setting for job search.

- Countries vary markedly in the proportion of young people who succeed in prearranging their first jobs and thus avoid entrance unemployment. Among the countries for which data are available, Japan and Great Britain are outstanding in the consistently high proportion of prearranged first jobs. The active interest shown by employers in recruiting new entrants and the existence of formal training arrangements are the primary factors, but it is also important that the social atmosphere and views of parents, young people, and the community encourage a prompt entrance to work after school ends. The timing of the

end of school, especially in the Japanese case where the term ends in the spring, permits jobs to be started at once; on the Continent, the closing down of large portions of the economy during July or August induces many young people to delay the permanent job search for several months, relying on temporary vacation jobs even after they have left school. Although the impact is difficult to measure, the presence of relatively strong, comprehensive and employment-oriented transition services, including placement assistance, appears to be conducive to prearrangement. Finally, a favorable economic climate encourages prearrangement, whether we compare successive periods or various regions or types of labor markets, within a single country or among countries.

- The length of time taken to find the first full-time job is positively related to the level of job sought and inversely to the readiness to accept a temporary solution until something better is available. Teenagers with more than the minimum education are more likely to delay their acceptance of a first job than are early school-leavers, whose options and ambitions are more restricted. A downward revision of occupational aims may shorten job-search time, and so may a wider geographic search area.

- Countries also vary in the proportion of new teenage entrants who take an exceptionally long time to find a first job. Comparing countries with roughly similar conditions, one is led to the conclusion that the existence of strong transition services may shorten the entrance unemployment of the disadvantaged or handicapped youngster, those at the minimum educational level, those whose occupational aims are higher than the achievement of their relatives and peers, and those who cannot find work close to home. The existence of programs for youth beyond the standard transition services--remedial, social service, training, intensive counseling--also plays a role.

Following upon labor market entrance, a second aspect of unemployment in the transition period is job-changing. Again, many analysts stress the unemployed and omit the significant proportion of job-changers who achieve a shift of employers without losing work time, usually because they have arranged for the new job while still on the old one. The following conclusions may be drawn on job-changing:

- A tight labor market fosters both higher rates of voluntary job-changing and higher proportions of job-changers who experience no unemployment.

- Voluntary job-changers tend to have less unemployment than those who are dismissed, whether for personal behavior or economic reasons. The ratio between voluntary and involuntary job-changing, therefore, is an important predictor of unemployment associated with job-changing.

- American teenagers who are full time in the labor market appear to change jobs somewhat more frequently than do youngsters in other countries, allowing for differences in the tightness of labor markets. A suspected but unmeasured differential is the willingness and economic ability of teenagers in various countries to abstain from job search between jobs.

- In most countries. teenagers in formal training positions, such as apprenticeship, tend to leave jobs less frequently than do others, at least during the training period.

- Youngsters in other countries may accept and remain with inferior jobs in the secondary labor market more readily than American youth, but when they do leave such jobs they experience less unemployment between jobs than American youth.

There is a great need for more longitudinal data and analysis for a whole cohort of new entrants through their first years in the labor market in individual countries and across countries. The Ohio State University longitudinal studies of youth and some of the educational follow-up studies have the potential of providing this information for the United States. It should then be possible to discuss the transition and its accompanying unemployment more accurately.

TRANSITION PROBLEMS

It has been indicated above that several countries have observed a deterioration in the relative position of youth in recent years and an emergence of education and employment problems among specific groups of teenagers. Certainly there still are other developed countries that have fewer, different, and less severe transition problems that does the United States; an array of countries according to the difficulty of the transition might still place the United States and Italy at the high end. But in the harsh light of 1975, as new structural problems have been intensified by deep recession in several countries, it appears that the favorable experience of the 1960s may become increasingly irrelevant as other countries discover American-type difficulties and, in a sense, catch up to us. Of course, not all countries have reached this stage, and some, Denmark and West Germany for example, are treating the issue as cyclical, soon to be eliminated by a return of favorable conditions. However, analyses by academics in these countries identify more deep-seated problems, akin to those we describe.

Evidence of widespread concern about the transition is provided by current studies and proposals on youth by the international agencies.[2] These reports are reminiscent of the earlier flurry of interest in youth problems when the 1967-68 European recession intensified the pressure of the postwar baby boom generation. But the current documents,

especially, from the Organization for Economic Cooperation and Development (OECD), reflect a more profound unease about alienation of youth from the adult world, deficiencies in the preparatory process, weaknesses of transition services, inadequacies of the employment world that youth enter, and uncertainty about future economic developments. Unemployment is only one aspect of the problem.

Even more telling is the growing attention in individual countries to the changing position of young people who leave school at the minimum legal age, often without earning diplomas or taking examinations. To be sure, several foreign countries also are troubled by the employment problems of upper secondary and university graduates, especially those majoring in the arts or the humanities. But the main focus of policy is on the young school-leavers who enter work directly. The situation of this group and the numbers involved vary from country to country according to the structure of the educational system and the training-employment opportunities open to those who leave school at the earliest time permitted by law.

In Great Britain, where compulsory schooling ends at 16 and most young people enter work at that age, the problem group has been identified as those boys and girls who start work early, usually have no academic qualifications, and receive little or no training in their initial jobs. Constituting a high proportion of all under-18s who annually enter work from school, this group engages in simple, monotonous jobs offering little prospect of advancement. Certain subgroups have particularly severe transition problems that are not defined solely in terms of higher unemployment rates; British analyses have pinpointed minority youth, the disabled, the educationally subnormal, delinquents, and those whose attitudes or behavior create employment difficulties.

France terminates compulsory schooling at 16, but a majority of young people go on to do further studies. Many enroll in public or private vocational education or enter apprenticeships that can lead to specialized occupational certificates, achieved through government controlled examinations. The problem group, therefore, is first of all those who enter the labor market with no education or training beyond compulsory school. About one-fourth of young people who annually enter the labor market have been placed in this category, but more recent data for mid 1974 suggest that it may be as little as 6 percent. In addition, those under 18 who drop out of their vocational classes or fail to pass the occupational examinations are classified as likely to have trouble. At any educational level, French research has concluded, ease of entry into working life is more closely related to prior acquisition of specific occupational skills than it is to the level of educational achievement. Other studies of French youth stress the "allergy to work," the "marginalization" of youth, the indifference to choice of occupation, and the dislike of blue collar work.

Sweden's recently reorganized educational system established a unified upper secondary school to follow the 9-year compulsory school that ends at 16. Anticipating that 90 percent of the 16-year-old group would complete at least a two-year course offering occupational preparation in upper secondary school, planners confined the compulsory school curriculum to general education. Research indicates, however, that 25 to 30 percent of the 16-year-olds now leaving compulsory school do not proceed directly to upper secondary school, and that 15 percent of those who do enter immediately drop out in fairly short order. Although considerable numbers seem to return to school, their intervening labor market experience is difficult, and they, especially the girls, are considered a problem group.

In Canada, the difficulties affecting youth who leave school before achieving a high school certificate are aggravated by severe regional disparities in opportunity. In the Atlantic provinces particularly, it is taken for granted that youth must migrate; in other provinces, rural youth also must leave home to find work; and the influx into prosperous British Columbia of youth from the east is said to be excessive, increasing the area's youth unemployment. Regional employment problems are serious for youth in France, Great Britain, and other countries as well.

Norway, whose compulsory schooling has recently been raised by two years to age 16, has encountered a problem group even before compulsory school ends. About 20 percent of the 14- and 15-year-olds have been identified as deeply resistant to the prolongation of school. They are considered to be a present educational problem and a potential labor market problem.

The country profiles sketched above are indicative of some common conditions, familiar also in the United States. Without exaggerating the uniformity among countries, it can be said that the prolongation of education, whether voluntarily or by statute, has left a residual group that, for a variety of reasons, is unwilling or unable to complete more than a minimum of schooling. They are disadvantaged even within the category "working class," the traditional European designation for limited opportunity.

Besides those who do not achieve the minimum academic qualifications, disadvantaged youth commonly include the physically and mentally handicapped; those with social or psychological inadequacies; members of ethnic, racial, or cultural minorities; immigrants with language and cultural difficulties; and residents of rural, isolated, or depressed areas. Of course, there is considerable overlap among the groups, and multidisadvantaged youth have gained attention in a number of countries.

The European perception of the problem group is narrower than the American, expressed in the coverage of this book, which designates the group at risk as all young people who do not plan or who will not complete

a four-year college education. Other countries are focusing on a younger, less educated, and more particular segment. It is possible that the American net has been cast too wide and that Europeans would consider a substantial part of our high school graduates successful in the transition.

Explanations of the emergence of the problem groups in Europe stress changes in the labor market for youth. The decline of employment in industries and occupations that disproportionately attracted youth with low academic attainment, as well as the elimination of youth jobs, such as messenger, "butcher boy," "tea boy," has been singled out in Britain. In Sweden, only temporary, fill-in jobs are said to be available for those under 18 who have not completed at least the two-year upper secondary course; the recent labor market entry of large numbers of older women has been adverse to young girls. While many new youth jobs have been created, especially in the service sector, these jobs usually require higher academic skills and are not a substitute for the low-level entry jobs that absorbed those early school-leavers who obtained no diplomas or passed no examinations.

It has also ben noted in Britain that the valuable post of junior operative, formerly open to 15-year-olds and leading to skilled status, is disappearing or is reserved for 18-year-olds. As continuous processes, shift work, weekend work, and heavy capital investment become common in manufacturing, employers have raised the minimum age of recruitment (although not to 21, as is reported to be the minimum in the United States), asked for higher academic credentials, or required prior training or work experience. Apprenticeship openings have declined drastically in West Germany, and the number of apprentices in training has decreased in Great Britain in construction, shipbuilding, and engineering, the most important industries for apprenticeship.

Moreover, such apprenticeship programs as those for British girls in hairdressing, and many of the German programs that place youngsters in small stores, workshops, offices, or artisan trades, are being challenged as offering poor training, inadequate pay for production work, and no real future in the chosen occupations, necessitating job changes during or after apprenticeship.

The developments in European apprenticeship suggest that as businesses are increasingly organized on American lines and as young people stay in school beyond 16, the desire of employers to train young people as well-rounded craftsmen in formal programs will diminish. Such aid in the transition as youth obtained in countries where apprenticeship or formal training programs have been well established (by no means all European countries), may become less significant, in manufacturing especially. Some European countries now seek to create modified or substitute mechanisms rather than trying to expand traditional appren-

ticeship. Although we may not have reached the upper limit of American apprenticeship in the fields where it is viable, we should beware of enthusiasts who call for an extension of apprenticeship into occupations where it has never existed in the United States and where it is now disputed in Europe.

The attitudes toward training and work of some young people also are cited as a barrier to employment in several countries, though the issue is not confined to any particular educational level. In any case, the dirty, menial work that is distasteful to youth are the jobs most likely to be offered to the problem group. It is unclear how important the attitudinal factor is in youth unemployment when the demand for young workers is strong. The admittedly superior information and guidance services abroad have not succeeded in altering the attitudes or behavior of this segment of youth . Deliberate abstention from the conventional labor force has been a negligible factor everywhere except perhaps in the United States and France.

Another development abroad that has adversely influenced the position of new entrants in general and disadvantaged youth in particular is the growth of protective legislation and practices that guarantee employment security for workers already employed. In the European countries where such measures are most advanced, employers hesitate before hiring new workers because they will be virtually bound to keep them for life. Swedish labor market experts have spoken of the unintended creation of internal labor markets as a result of such legislation and of its inhibiting effects on an active labor market policy as well as its adverse effects on new entrants.

The costs of employing young workers abroad have also changed. During the period when foreign teenage unemployment rates and ratios appeared to be definitely lower than ours, American analysts sought explanations in foreign institutions.[3] Among the factors singled out, other countries' systems of differential wage rates for youth were prominent. The legal provisions, traditions, and collective bargaining contracts that stated that youth of various ages should receive a fixed percentage of adult wage rates were frequently cited as evidence that Japanese and European youth represented relatively cheaper labor for their nations' employers than did American youth under our uniform minimum wage act.

These comparisons failed to provide evidence on several critical points: the actual earnings of youth abroad, the trends in those earnings, and the ratio of earnings of American youth to those of adults.

Preliminary comparative study of youth earnings abroad suggest the following conclusions:

- Despite the existence of various types of fixed wage differentials for youth in foreign countries, the actual postwar movement of earnings has been more in favor of youth than of any other age groups. The upward

trend of youth wage rates and earnings has proceeded steadily and has been only slightly retarded in periods of recession. In Great Britain, the average hourly earnings of boys of 15 to 21 have moved from about 35 percent of adult male earnings in 1947 to 44 percent in 1959 to well over 50 percent in recent years.

- Youth earnings in the United States probably are not a higher percentage of adult earnings than is the case in other advanced nations, though comparable, detailed data are scarce.

- Several countries report a growing reluctance on the part of employers to hire young workers because there already may be a cost disadvantage if training and induction costs are included. Dutch and Swedish employers have cited the rising relative wage costs of youthful workers as an obstacle to their employment.

- Apprentice wages in Britain have in some cases equaled or exceeded those of comparable young workers. In other countries where apprentices are paid educational allowances, these have risen so sharply that they seem competitive with wages.

- A recent British finding that employers do not consciously consider wage costs for young people when fixing their recruitment policies, presents an attitude that may be rare among American employers. Japanese employers appear to react much as the British do, though they have organized to hold down the advance of youth wages.

- American theorizing about minimum wages and the potential increase of employment that might result from introducing youth differentials has paid too little attention to the extent to which actual youth earnings have come to exceed the legal minimum. Foreign experience suggests that the efficacy of legal or negotiated wage differentials for youth is limited when economic and social forces exert upward pressures on actual youth earnings.

This brief survey of some changes in the youth labor market and in the institutions that had been credited with easing the transition from school to work suggests that foreign experience must be weighed carefully. Backward glances at the conditions of the mid 1960s are largely irrelevant. If some countries still seem to operate according to the rules of an earlier time, they are either lagging behind or are so special that their experience cannot be taken as a general model. At the same time, in those countries that are now experiencing structural difficulties among youth the situation has not yet developed fully; they are still in the midst of exploring their situation and what can be done about it.

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FOREIGN POLICY INITIATIVES DEALING WITH TRANSITION PROBLEMS

In examining the policies of foreign countries directed toward problems of transition, preference will be given to programs that deal with structural rather than cyclical issues, although in practice the two overlap and intermingle. It also is desirable to draw more heavily from the policies of countries whose problems are akin to those of the United States, even though their policy initiatives are still at the experimental stage.

The most advanced European countries are not notable for discussing or implementing ideas that are unknown in the United States. On the contrary, they have paid particular attention to American experience and programs because we have had more time in which to confront the difficulties that they have recognized only in the past few years. It is fairly easy for the informed visitor to these countries to identify programs whose inspiration comes from across the Altantic or that are similar to ours although independently derived.

Where some of these countries do differ from us is in the greater commitment to full employment, the attempt to address basics issues rather than rely on patch-up approaches, the intensity of their effort, the important role of the central government, the pooled and cooperative action of the relevant departments of government, the application to the entire country of tested principles while allowing for local variations, the comprehensive and interlocking programs on all aspects of the transition, the close resemblance between announced and delivered programs, and active participation by employers and trade unions.

For all that, no other country's programs are transferable intact to the United States; they can be examined more profitably in individual segments within a broad view of the transition. One may discuss separately issues and policies that arise during the preparatory stage, in the transition services, and at full-time entry into the labor force.

Preparation for Work

- Recognition that school-weariness affects a significant proportion of young people has led to various plans to relieve some 14-, 15-, or 16-year-olds of the standard kind of education. The pervasive rejection of school in other countries calls into question our expectation that all young people should be willing to remain in school, even in the types that do not rely wholly on the classroom, until they are 18. At a minimun, the legal leaving age of 16 in most states should coincide with the end of a recognized stage of education, instead of signifying dropping out. It is admittedly difficult to devise acceptable alternatives to school for all who might prefer them.

Norway is experimenting with placing 14-year-olds with employers, providing some basic education on a part-time basis, and permitting those who complete that program to obtain leaving certificates from compulsory school that entitle them to continue their education at the next level. France has a preapprenticeship year in which youngsters are supposed to spend half the day in school and half the day with an employer, who presumably will subsequently offer them a regular apprenticeship contract. Complaints have been heard that many youngsters simply end up with half-time school, having failed to arrange apprenticeship places. Any arrangements involving employers as supplements to the educational system require careful supervision by the educational authorities. In their disillusion with school, many influential Americans have expressed uncritical and unfounded faith in the work place as a substitute.

In Sweden the authorities are devising new types of school courses to attract and hold the 16-year-olds who are now avoiding upper secondary school or dropping out. Presumably these courses will be shorter than the regular ones, perhaps three month units offering credit that can be cumulated, even with interruptions of school. Arrangements for practical experience also are being worked out to suit the restless young people who constitute the problem group. The Swedish opinion is that completion of the equivalent of two years of upper secondary education is an indispensable requirement for survival and progress in the coming labor market. It remains to be seen whether the opportunity to complete this education over a longer time period with approved breaks will reduce the hostility to school as an institution representing childhood. West Germany's recession program for unemployed young school-leavers who lack academic credentials offers a second chance to achieve a diploma; but it has attracted few youngsters, even with the promise that successful candidates would be assisted to obtain apprenticeship places that require the acedemic credentials. A similar program in France has had a poor response, even with a monthy payment to young people.

In the long run, the most serious and intractable problem may be the conflict between the desire to prepare every youth to rise above a dead-end job and the inability to instill the required qualifications. This failure may forestall the need to come to grips with the equally troubling questions: How can enough "good" jobs be provided and who will do the necessary but menial tasks?

- The institution of several graduation dates throughout the year and particularly the gearing of these dates to periods when permanent jobs are most likely to be available and vacation job-seekers are not on the scene would be a sensible change from the long-standing and outmoded timing of the school year to fit agricultural needs. Sweden has introduced staggered release dates for its military conscripts and is considering the same for schools.

● The best American cooperative education efforts are in advance of most European practice and have been studied by such groups as the Swedish Employers' Association. Work experience as a method of preparing for and obtaining full-time employment also is more highly developed in the United States than it is abroad.

● Community service projects as a means of occupying in-school youth or idealistic young people out-of-school have been developed in various countries, but Canada has been cited for its variety and success with these. The most recent recession budget, however, eliminated funds for some programs.

● Vocational education is debated everywhere. The question of when, where, and how to provide occupational skills is under active discussion in many countries. Some attention might be given to the experience of the Swedish upper secondary school with its occupationally specialized programs superimposed on an academic core that permits university entrance; and its new program for "Praktik," which provides practical experience in industry prior to taking up full-time work.

Transition Services

● The necessity for effective transition services--information, guidance, placement, induction, and follow-up--is generally recognized, but wide differences exist in the scope of services, the resources, staffing, organization, and activities. The countries that seem to have the most effective services--Japan, West Germany, Sweden--offer a comprehensive list of services, organize the transition from the national government down, do not rely on independent schools and their personnel to initiate and carry out activities without outside supervision, use bridging agencies that strongly involve the labor market authorities, and integrate youth services with those for adults.

Martin Feldstein's repeated recommendation[4] that the United States should introduce the British system of a separate, specialized transition service for youth that is independently organized by the local education authorities is open to criticism on several counts. It is based on inaccurate and outdated information about the British system; it ignores the dissatisfaction within Britain; it assumes greater impact by these transition services on youth unemployment than the purveyors and analysts of the services would claim; and it seems unaware both of the rejection of the British system by other countries and the more effective models offered elsewhere.

● No matter how superior the transition services of another country may be to those we currently offer, even the best existing programs have serious deficiences. To begin with, it is inherently difficult to provide effective official information and guidance services, especially in com-

petition with the unofficial sources; no one has discovered a reliable way to test the contribution of the official services to the information stock of individuals or to the decisions they make. Still more difficult is the evaluation of the relation between the quantity and the quality of official services and the outcomes for individuals.

Official placement services do not appear to make more rapid or more successful placements than do other sources of finding jobs, but the research designs for the few studies in this area leave room for a revised opinion. On the other hand, the official agencies can collect job information more widely and completely than any other source.

● A second drawback of the transition services is that they are apt to be invoked in situations where their influence is bound to be minor or ineffective. The danger is that more basic and drastic action against youth unemployment, for example, will be tabled, while reliance is placed on improved transition services.

An example from another country of a misplaced emphasis on information and guidance is the Japanese complaint that job-changing by young workers, even without intervening unemployment, is evidence of inadequate guidance services in school. The rate of job-changing is in fact low by comparison with that of other advanced countries, but it is in conflict with the Japanese ideal of lifetime employment with the first employer. Ignoring the economic advantages that have accrued to the job-changers in periods of high labor demand and fast-rising earnings for young workers, the official Japanese analysts have seen only a need for improved guidance for young people. Similarly, our calls for community education-work councils, and better matching of vacancies and job-seekers, useful though these may be in general, are inadequate and inappropriate responses to a situation of chronic insufficiency of jobs for youth in both quantitative and qualitative terms.

● A third problem for the transition services is that they tend to treat all youngsters equally. Yet those who have the least need for these services because they have access to other assistance are most likely to seek out, respond to, and benefit from the official services, while the most needy in terms of background and resources are likely to reject or absorb little of the services they are offered. There is a clear need to provide more and different services to disadvantaged youth within the framework of the transition services available to all.

A recent Swedish innovation is called Extended or Modified SYO, where SYO means an integrated educational and occupational information and guidance service. It is designed to provide active follow-up of all young people who at 16 do not enter or drop out of upper secondary school. All community agencies that deal with young people are drawn into the effort, which is directed by the SYO personnel in the schools and the local employment service. If this program proves successful in the

trial communities it will be extended. It is a way of giving the disadvantaged, criminal, delinquent, alcohol- or drug-addicted youth special attention on personal, social, educational, and employment problems within the general system of transition services.

Entrance to the Labor Market

● Training occupies a place of honor in European measures to cope with cyclical and structural difficulties. It is assumed that there are or soon will be skill shortages and that training can benefit both the individual and the economy. Until the present recession, this idea was accepted without question, but now one hears doubts about future needs in light of technological change and better utilization of manpower. Many government training programs are open to teenagers or are extended to this group during periods of rising unemployment, and some special programs have been launched as well. The significance for the United States of some of the special measures for youth depends on one's expectation of skill shortages in the youth labor market here.

● Two British programs illustrate the convergence of cyclical and structural policy for youth. The *Wider Opportunities Courses* now are used experimentally with young people, and are being evaluated systematically. They attempt to develop the participants' self-confidence in their ability to meet the demands of various kinds of employment rather than to impart specific occupational skills. It is expected that successful participants will be better able to respond to new employment or training opportunities throughout their lives. Secondly, *Gateway Courses* were proposed in mid 1975 by the Training Services Agency. The program will be formulated more definitely in 1976 after national debate on the details is concluded. Essentially, the Gateway Course is envisioned as a three months off-the-job course that will give knowledge of broad occupational categories rather than specific skills. It is still to be decided whether such courses should start in the last year of school, just after school ends, or after the first unemployment, and the precise location is uncertain, though all relevant facilities are viewed with approval. Part of the Gateway Course is seen as an introduction to more advanced and specific training by employers. In addition, the Industrial Training Boards are urged to stimulate more training for young people in the work place than now exists, but it is recognized that much of such training is not in the employer's interest and requires subsidization.

● One of the newer measures in Europe is the offer of public subsidies to employers to hire young people they would otherwise not employ. These programs call for training or work, or combinations of work and training. Employers who might not continue apprenticeship training because of difficult economic conditions also are subsidized in Britain and The Netherlands. Subsidies to employers have reportedly worked well in Sweden, but French employers have not responded in as large a number as was hoped they would.

● Belgium has been discussing an early retirement plan that would make more room for young people. The plan is to finance the measure by a special tax on firms whose profits have been higher than average.

● Mobility allowances are not generally used much by teenagers, but some countries provide special housing and recreation facilities for young workers.

● As a final citation, the comprehensive Swedish program against youth unemployment may be described. Drafted in a period of full employment in May 1975, the program of the National Labor Market Board laid down guidelines to be followed by the County Labor Boards and the local employment service offices in the event of an increase in youth unemployment. Emphasis is given to intensified employment service activities, the creation of training opportunities within the educational system, training in labor market centers, and an increase in public service employment for youth. Among the duties of the employment service are analyses of the extent and structure of youth unemployment; cooperation with school authorities, municipal social service agencies, and others on training and work opportunities for youth; activities in schools, youth centers, and youth organizations; intensified job canvassing; study tours to work places; following up individual young people, especially those who do not continue their studies or drop out of upper secondary school. In each office, unemployed young people are to be served by one or more specialized officers.

In the whole perspective of current European efforts, it would be misleading to suggest that any country has devised policies that assure an easy transition from school to work for the segment of youth that has the greatest difficulty. The effectiveness of many of the policies for the longer-term structural problems has yet to be tested. But in the absence of better ideas, some of these proposals may be worth trying in the United States. Surely it is a worse alternative to take refuge in the indisputable fact that youth is a temporary malady and that all young people in the labor market will automatically become prime-age workers without any governmental assistance.

NOTES

1. This chapter is based on a forthcoming book, *Bridges to Work: International Comparisons of Transition Services*, and work in progress on the preparation of youth for work and the youth labor market.

2. Organization for Economic Cooperation and Development (OECD), *The Entry of Youth into Working Life*; European Economic Community, *Measures to Reduce Youth Unemployment* (Brussels, May 1975); Council of Europe, *Unemployment among Young People and its Social Aspects* (Strasbourg, 1975); Ronald Gass, "Approaches to the Transition from School to Work," Seymour L. Wolfbein, ed., *Labor Market Information for Youths* (Philadelphia: Temple University, 1975), pp. 11-23; "The Problem of Young People's Entry into Working Life," *OECD Observer* (September-October 1975), pp. 14-16.

3. For example: *Manpower Report of the President*, 1968; Franz Groemping, "Transition from School to Work in Selected Countries," in *The Transition from School to Work*, Princeton Manpower Symposium May 1968 (Princeton: Industrial Relations Section, Princeton University, Research Report Series no. 111, 1968), pp. 132-88; David Bauer, *Factors Moderating Unemployment Abroad*, The Conference Board, Studies in Business Economics no. 113 (New York, 1970); U.S. Department of Labor, Bureau of Labor Statistics, *Youth Unemployment and Minimum Wages*, Bulletin 1657 (Washington, 1970), chaps. 10, 11.

4. The recommendation, stated in several papers, is most accessible in Martin Feldstein, "The Economics of the New Unemployment," *The Public Interest* (Fall 1973), pp. 3-41.

Chairman HUMPHREY. I was particularly impressed with certain elements you outlined among the European countries whereby the legislature sets forth the objectives and guidelines and financing, but leaves the details and the administration up to the executive branch. Of course they have the parliamentary system there which places a greater burden of responsibility on both the executive branch and the legislative branch. There is a burden of cooperation when things don't work out. We have this divided authority, and sometimes it doesn't produce the results we would like.

Also maybe they will get around to where we are when they want instant cures, instant food, instant success.

Mrs. REUBEN. They are more patient.

Chairman HUMPHREY. They are, there is no doubt about it. I have been so impressed with what I know of some of the efforts that have been made in other countries where they take a program and really try it out on a limited basis. I thought that is what ought to have been done, for example, with the welfare program that was advocated. I thought one of the best things that came out of the Nixon administration was a revised family assistance program. But we always have got to have it in all 50 States tomorrow morning, or really this afternoon, and have it going full steam ahead, when in fact if we would have picked about maybe 50 counties in several States and given it a real whirl, we might have found out its weaknesses, its strengths, and the training needed for it. I think this was brought up a while ago with the other witnesses.

And so many of these programs require what we call middle level supervision and administrative experience, because they are different. You are working with people who have different problems than the normal employment and unemployment situation. But we will come back to that.

Mr. Barton, will you proceed now with your testimony.

STATEMENT OF PAUL E. BARTON, SENIOR CONSULTANT, NATIONAL MANPOWER INSTITUTE

Mr. BARTON. Mr. Chairman and members of the committee, thank you for the opportunity to speak about these important issues. I have provided a longer paper to the committee staff, and I have only a few brief remarks.

Our youth unemployment condition is of course a complex one, the result of the creation of rapid change and socialization into an adult society, erosion of community and extended family, even nuclear family, the isolation of large institutions, schools, and workplace being a major example, a rate of technological changes and concentrates the work into a shrinking middle period of life, and a recession prone economy in which there is a widespread employment problem affecting all ages.

In a brief period it is possible to highlight only a few of the more significant elements of this condition. This will be made easier by the oversimplification of speaking of two employment conditions. The first, I believe, is the result of inadequacies in institutional relationships and behavior of the kind that created problems in the transition from school to work in a boom year like 1969, as well as in a recession

year like 1975 and 1976. And the second is the result of a deep recession where unemployment is still as high as in the worst months of the 1958 recession.

With respect to institutional relationships and behavior there are the following points I would make: One, the most striking fact not widely known is that between two-thirds and four-fifths of employers hiring for what might be called regular adult jobs simply do not hire persons under 21 or 22 years of age. And there have been four or five major studies over the last 6 or 7 years which document that, I think, rather completely. That is 4 or 5 years after youth received their high school diploma. With those employers, what you studied in school and how well you did isn't going to matter much for quite awhile. Purely curriculum reforms don't touch this problem.

Two, the time trap mentality of how dividing life into segments, with the youth period for formal education and adulthood for only work, creates the necessity for a sudden transition from education to work. A phasing process where both education and industry are cooperatively involved would keep youth from slipping between these two bureaucracies which are seldom on speaking terms with each other. And yet few now have the option for a phase transition.

Three, the most obvious of the links between education and work are left unconnected.

Senator Humphrey referred to this a little bit earlier. Few schools provide job placement services to their school learners, although they do attempt college placement services with what limited resources they have.

The Public Employment Service started in the early 1950's to provide a one-shot counseling and placement service in the senior year. But that activity has dwindled to the point where no separate records are now kept.

Secondary schools have only about one person-year of counseling time per 1,000 students, and very little of that goes to career planning, particularly for those not getting there with the college degree. All of this is complicated by a dearth of occupational information available at the local level, and in forms easily used by students.

Four, employers, parents, school counselors, and young people are confused by child labor laws. This confusion was documented in a six-city study conducted by the National Manpower Institute. It is not that we don't need child labor laws. We do. But there are overlapping Federal and State laws, and there needs to be just one or the other with special information explaining what can and can't be done.

Five. In this area of institutional relationships that I have distinguished from just the plain shortage of job opportunities, we are, I believe, going to have to rely on a process to create the necessary linkages, rather than new programs with very large bureaucracies. What is involved is—and many of the previous speakers and members of the committee have commented on it, I believe, in one way or the other—collaboration at all levels, but particularly the local level, among educators, businesses, labor unions, the voluntary sector, now organized into such an organization as the National Collaboration for Youth, parents, and just effective citizens.

While the name is not important, the National Manpower Institute has called for the creation of community education work councils as a means of accomplishing collaboration and commencing that kind of a process at the local level.

Rather than searching for standardized approaches, the one best way, we will have to build on whatever leadership initiative there is in the community. And it can come from various places. It can come from schools, it can come from employers, from unions, or any other source. And rather than segment responsibilities at the Federal and State level among government organizations responsible to particular clientele and professional groups, we need to find means of drawing them into shared responsibilities for a goal which transcends their narrower organizational objectives. In short, the cement that binds society in the vital process of admission to adulthood is loosening. The need is for reenforcement which unites; not new organizations with narrow and preconceived missions which perpetuate segmentation.

The second youth employment conditions is simply the lack of enough jobs, of which there has been considerable discussion already. A deep recession is of course the basic reason at the present time. But I think this should not be permitted to mask what has been a long term decline in youth employment in the inner city.

In 1954, a couple of decades ago, the proportion of white teenagers employed was 43 percent compared to 38 percent of black teenagers. Now, that is a significant difference but not a huge one. But in 1974 the white proportion employed rose to 49 percent, up from 43 percent. The black proportion fell to 26 percent, with only about one out of four employed by 1974. The full brunt of the recession was felt in 1975. And the percentage of black teenagers employed fell further to 23 percent.

We cannot talk about a phased transition from school to work if there is no work to be phased into.

The inability of our economy to maintain a more even growth, and the increasing constraints on growth, as traditionally measured at least, and the simultaneous enlargements of the demand for productive roles from youth, minorities, women—and it is coming, the older people we retired from our technological economy—exceed the scope of this analysis. But it must be pointed out that such disruption in the total system makes uphill sledding to improve the functioning of important parts of it, such as the youth transition to work.

So as we work to improve institutional linkages and encourage community initiatives, we need to enlarge the number of productive roles. A good deal of this will likely have to occur in what is broadly termed the service sector. What comes to mind most readily is community service; those needs identified by the community itself that strengthen the forces within the community as well as those that also aid in the pursuit of the longer range goals suggested in these remarks.

When you talk to any group and ask the question, you will find that no one believes there are enough jobs. But if you ask if they believe we have run out of work that needs doing, the answer is a loud "no." Both the doing of it and the experience youth gains in the process are important.

The proposal of Willard Wirtz in his recent book "The Boundless Resource" for the creation of community internships captures both of these elements, I believe, of helping youth and helping the community. There are now enough related efforts in the area of youth and service programs so that a base of experience now exists for wider application where we would not have to proceed solely on the basis of logic. However, I see Mr. Donald Eberly from ACTION in the audience and he knows more than anyone about present experience such as service learning, action learning, and a whole series of efforts that have been given trial runs.

Thus in closing, Mr. Chairman, I believe there are two youth employment conditions, one requiring improved access to the employment system for youth, and the other requiring the numerical enlargement of productive roles for youth.

[The following paper was attached to Mr. Barton's statement:]

YOUTH TRANSITION TO WORK:
THE PROBLEM AND FEDERAL POLICY SETTING

Paul E. Barton

The period since World War II has been, by standards of achievement long applied, the best of times for American youth; it remains to be seen whether the achievements of this period have been entirely to our advantage or whether in protecting youth from the harshness of adult life we may have gone too far and made it harder for them to live as adults.

Affluence combined with perhaps the most youth-centered culture in history has enabled the prolonging of childhood, for most youth at any rate, for six or seven years beyond the time when the physical ability to do society's work commences, the time that,in fact, provided the natural break from childhood during all but the most recent period of man's existence. During the late 1940s and not before, the word "teenager" came into existence, to provide a label for a population physically mature yet still cared for.

The swing generation's teenage children were without adult jobs during this extended period of preparation for adult life but not without resources; cars appeared as transportation to high school and college, the music and recording industry found its largest market ever, and special charge accounts for teenagers were advertised by department stores.

Increasingly, these youth grew up in suburbs, saw people around them living as well as they did, associated mostly with other young children with still young parents, were transported by family station wagons to extracurricular affairs, and were treated to what was thought to be the best in high school education, which more and more took place in institutions with 2,000 to 4,000 students. Taught to live as part of an age group, they learned their lessons well, and by the time those who were going to college got there, their views about the conduct of national and international affairs, and the manner in which those views were expressed, turned out to be quite different from those of their parents' generation, or perhaps any American college generation before them (a comment not rendered in judgment but in reminder that a lengthening period of protection and attendance in society's institutions of socialization did not result in a passing on of parents' views and values).

The younger sisters and brothers of these college students and the children of those who had been too young to fight in World War II found the schools even larger, saw alcohol replaced with hard drugs--which were available as early as junior high school--turned against the expensive

clothes that youth before them had worn, and found accommodations for living together in vans, whereas their predecessors had had to settle for evenings in the parking lots of suburbia's shopping centers. Despite these outward differences between teenagers today and those who were teenagers during the mid 1950s and early 1960s, the prolongation of childhood, in whatever guise, remains the status quo, and most affluent middle class youth today are still going to college.

This is the situation of youth most visible to those Americans who matter in terms of power in the institutions of employment, education, and government. The rest of American youth, those stopping their educations at high school or earlier, must be making it somehow, but no one knows quite how that process is working. Often, it isn't. Until the riots of the 1960s, the public knew, only if it read of such things, that blacks (still called Negroes then) were moving rapidly to the centers of the major cities, and that the city surely wasn't the promised land. Claude Brown's life exemplifies what teenagers were doing in the crowded city center and still are doing: fighting for their reputations on the streets by age 12, being pushed into early motherhood, seeing all too clearly the inequalities and irrationalities of a welfare system, and missing out on a critical element of socialization into the work world: having fathers and mothers who can get stable jobs providing incomes that cover the essentials of living. Only the successful few are making it to the suburbs, and when they get there they are too far away to be what the sociologists have come to call effective role models.

Those who stay in rural areas see little hope there for a career, unless family resources are sufficient for the conversion to agribusiness. For the most part, though, youth aren't staying on the farm. In poorer states their education is likely to be substandard, which is no help in the city; and if vocational education is available, it is likely to be in agriculture and is no help for most of those who study it.

The disparities in adult society have been, not surprisingly, visited upon the young, and the schools have proved unable to achieve equality of abilities among youth of different races and economic classes, a task many seem to think is the schools' and theirs only.

No one knows what the extended protective shield for the coming of age of middle class youth will mean for their lives and their children's lives. As for what is happening to the youth trapped in the cities without community, and often without family or resources, the shape of their future cannot be discerned in detail either; we can, however, be sure enough that it is not a benign influence for the individual or for society.

This extension of childhood for the middle class, combined with the growing isolation of the big junior and senior high schools,[1] leaping technological change, frequent, sometimes chronic labor surpluses, and

the containment of blacks in the center city while the jobs (especially ones youth could hold) were shifted to the suburbs, has resulted in some of the worst of times for youth, or at least a dramatic break from the past in regard to the age of admission to adult society.

The growing portion of youth starting college, and the growing portion of corporate decision-makers whose sons and daughters comprise the one out of five youths entering the full-time labor force with a college degree, has probably had the effect of increasing the social minimum age at which youth are permitted to enter most forms of regular adult employment. Although it is entirely a matter of conjecture about cause and effect, the age of entry into regular employment seems to advance with the expected age at which the middle class emerges from college; the facts, at least, are consistent with such a proposition.

It is on such critical matters as this that our excellent statistical system leaves us in the lurch. One could point to a rising youth unemployment rate over time, only to be confounded by the fact that youth employment has increased as fast as the youth labor force.[2] Closer inspection reveals that this employment increase is almost wholly in part-time jobs for students, that students get these jobs rather quickly (at least in nonrecession periods) but move about so much during the year--summer job to part-time job to Christmas job--that they are cropping up more and more in the official count of unemployment. It is almost as if things had gotten turned around, with the unemployment rate advancing to reflect the greater success of youth in locating these kinds of jobs.

The story, then, is not in the unemployment rate, or the employment rate either, for that matter. The better question is "At what age will employers hire youth for regular full-time jobs of the kinds that adults hold?" The answer is not to be found in the unemployment statistics at all but in a number of special studies conducted over the last half decade. The composite results are that from two-thirds to four-fifths of employers do not want to hire young people for regular jobs until the attainment of age 21 or thereabout.[3] For the four out of five who enter the labor force without a college degree and who want to do it between the ages of 16 and 20, the extended childhood period must continue, even when society has conferred the last year of its free 12 years of education at age 17 or 18. The high school diploma received at this age cuts little ice; the graduate's success is not much different from that of the dropout in the several years before the age of 21.[4]

Perhaps employers would dip below age 21 if they were hard pressed to do so by rapidly expanding markets. But the years have been few when workers were in such short supply as to require such action. The effects on youth of a chronic labor surplus are compounded by the way technological change affects manpower requirements. Although such

change cannot yet be indicted for eliminating more jobs than it creates, it has to be a large factor in the condensing of work life toward the middle years, causing people to enter regular employment at an older age and retire from it at a younger one.

With youth seemingly less critical to the needs of industry, employers thinking of youth the age of their offspring still in college as too young to work, and youth walled off in ever-larger schools for longer and longer periods, the chasm that exists between the world of education and the world of work becomes more understandable, if not more acceptable. The opportunity for phased adult experience shrinks, and youth becomes older as time passes and become less adult at the same time; the prophesies that they are not ready to assume responsibility become self-fulfilling.

The comment made a number of paragraphs back about the unemployment rate tending to be inflated by success in part-time job-seeking needs qualification. For that ever-larger number of students engaging in casual part-time work, the comment is true enough. But for those blacks facing bleak opportunity in the center city, the unemployment rate for teenage blacks, even as it shot toward an unbelievable 40 percent in the 1975 recession, was inadequate in the other direction; the current situation is worse than it suggests. For teenagers, it is more revealing to look simply at the portion who are employed. The real tragedy of the black condition emerges with such measures. In 1954, 43 percent of white teenagers were employed, *rising* to 49 percent by 1974. In 1954, 38 percent of black teenagers were employed, *falling* to 26 percent by 1974. There is nothing now on the horizon to change these trends.

Much has been made, at different times, of the importance of demographic projections of the youth population and labor force for manpower planning, and it is legitimate to ask what the projected trends mean for the future. It is sometimes said that as the members of the post-World War II baby boom generation move into their late twenties, with the slower growth, even a decline, of the teenage population in the years to come, the problem of youth transition to work will lessen. Implicit in this statement is the assumption that the enlargement of the youth population was responsible for the rise in the teenage unemployment rate of that period. But "teenage jobs" fully kept pace with that population growth in the aggregate; the measured teenage unemployment rate is not a very useful guide to the existence of a problem. The gap between education and work, it is posited here, is the result of social, cultural, and economic changes--altering both the way we treat youth and the way we view youth--not a matter of population demography. If this is the case, the problem will not recede just because the tide of youth recedes. On the other hand, a lessening of demographic pressure cannot help but be on the right side, and it ought to make matters easier as we tackle basic structural and institutional arrangements.

It should be well noted that the population climb among young blacks did not recede and does not recede in the projections made by the Bureau of Labor Statistics (BLS). Unfortunately, BLS has not published projections by race since 1970. Those projections expected 3.3 million blacks aged 16 to 24 to be in the labor force by 1985, compared with an actual figure of 2.6 million in 1974. The comparable numbers for whites, using the same projections, are 17.5 million in 1985, compared to 19.2 million in 1974.[3]

It is clear now that the quantity of jobs for blacks is inadequate and that the problem here includes, but also transcends, improved institutional linkages; things are going to get worse for young blacks unless some major steps are taken to create jobs, or to get blacks out to the suburbs, where the private economy is creating jobs for white youth. It is worth stating again that closer relationships between the processes of education and work will help the great bulk of youth; and they will help many blacks, but just as many blacks will be left behind until something is done about the quantity of experience opportunities available to them.[4]

This is the setting of the problem. The federal role in dealing with it is necessarily a restricted one compared with what must be done locally, by parents, individual citizens, teachers, and employers. But it is still an important one and must be attended to with care.

NATIONAL ASSISTANCE: LOCAL ACTION

There is increasing recognition and acceptance of the proposition that we are too vast a nation and too pluralistic in our decision-making for many of our social conditions to be altered through uniform national policies, even less through federal government policies. That assertion is particularly true of efforts to bring about a smoother transition to adulthood, where federal, state, and local government and public education agencies, individual employers, unions, public employment services (with their three levels of policy-making), new municipal manpower agencies, parents, and, increasingly, students, are parties to the process.

On the other hand, it seems to be at the seat of national government that the need for change is recognized, the climate for change often conditioned, and the cost of change at least partially funded. This has been true of almost everything that has happened in the last 40 years in the manpower arena, including employment services, public retraining of the unemployed, public employment, and income maintenance. It has also been true of most of education that has been career specific, from land grant colleges to vocational education and on to career education. More recently, the Washington influence has become more subtle, but present nevertheless, in such projects as the federally funded and appointed panel that wrote *Youth: Transition to Adulthood*, the small Labor Department

grants to stimulate better use of occupational information, and the models such as Experience-Based Career Education, established with federal money in four cities for others to emulate.

The limits to handed-down initiatives, from the Washington headquarters of one bureaucracy to its local offices, are increasingly apparent. There can be many reasons for diminishing opportunity for central policy directions, but a major one is that no one bureaucracy or institution has total responsibility for the youth transition, and no one command is capable of trimming the sail.

The ability to discern the general situation from Washington seems unimpaired, as is the superior financial position to get things started; it is the ability to accomplish things at the local level, particularly in this area, that Washington is short on. Given all this, the best approach seems to be to put the pieces together at the local level, with the initial stimulation and at least some funding coming from the federal level. It is out of experience with what local individuals and agencies are able to succeed in doing together that we will discern what an education-work policy has turned out to be.

The national role in getting local efforts started will, of course, require some judgment about what makes sense to get started on; there has to be some formulation of what is to be tried, if only by way of stimulating local people to think of ways to do it differently. It would be helpful in this respect to give a careful review of the experiences of those communities around the country already working on the problem (such a review is contained elsewhere in this volume).

It is suggested that the appropriate federal policy role is that of stimulating a variety of local projects that have the merit of bringing together several of the critical participants in a school-to-work transition, and of perfecting a number of what would become operational components of a complete local effort. A great deal of room would be left for local design, and federal suggestions would be just that and no more. Examples of suggestions are provided below.

- A number of *local councils*[7] large enough to provide useful experience, composed of educators, employers, union members, parents, effective individual citizens, members of community organizations, and elected students to try to bring back together the now disparate pieces of the community that formerly took a greater responsibility for the transition to adulthood. Almost any of the projects and pilot programs suggested below could be carried out under the auspices of such councils.

- *Community employment counseling services* for high school students, which might operate under guidelines established by professional guidance counselors but which would have as their purpose the identifica-

tion and organization of all resources available within the community to assist youth in learning what occupations are like and how people in them got where they are now.

- Model *employment placement services*, working to provide part-time opportunities for youth still in school, career opportunities for youth leaving school, follow-up through age 20 or so, and feedback to the schools about the kinds of barriers to employment success that exist after schooling is completed. Given the past jurisdictional questions not yet clearly resolved, it would be useful to have at least four different kinds of models:

  — A high school or consortium of high schools operating the services.

  — The public Employment Service operating them, in a location accessible to students.

  — The schools and the Employment Service operating them *jointly*, with shared funding and carefully worked out responsibilities.

  — Volunteer service organizations providing the entire initiative and implementation.

- *Community internship programs* to supplement opportunities in the private employment sector, so that all students needing it can have an opportunity to combine experiential learning with more formal education. The attempt would be to generate local programs under a variety of auspices, such as—

  — A volunteer citizens committee.

  — A committee of heads of major organizations that would have experience opportunities.

  — The education-work agencies, such as the schools, the municipal agency administering the Comprehensive Employment and Training Act (CETA) and the public Employment Service.

- *Model delivery systems* for all work experience opportunities within a community to see how much more employer cooperation and involvement could be gained by efficiently developing opportunities and appropriately matching students and opportunities without many separate approaches to individual employers.

- *Demonstrations* --perhaps as part of the above components--of what community-minded federal employers can do to stimulate an experience component in education. The combination of federal establishments

located in a city--including employers holding federal contracts--involvement of the federally funded CETA agency, and public service activities receiving federal aid, would very likely provide a substantial number of experience opportunities for students and set the example for private employers. This is the kind of activity that existing councils of regional executives could organize.

- A careful *demonstration project* to find out what difference the alternating of education and experience makes in the stereotypes now held by employers about the undesirability of young people under 21 as employees. Employers would have an opportunity to see what capabilities young workers have, and young workers would have the opportunity to mature as productive workers. Before-and-after employer attitudes toward youth would be measured.

- An *education program* prepared for all employers and school officials on what federal, state, and local child labor laws permit, as well as prohibit, with regard to student work experience programs and the hiring of youth as they graduate from high school. To find out what impact inadequate knowledge about child labor laws is having, before-and-after surveys about employer knowledge, attitudes, and actual hiring practices would be desirable. If the surveys were done in several communities, the worth of a widespread educational effort could be evaluated and the most effective approach could be formulated.

- The provision of money to a local school system to permit it to work out *cooperative agreements with private skill training schools*, so that high school students could get skills in approved private schools where public school offerings were not available. The money would be used to pay the students' tuition in the private schools in situations where academic education was provided in the public school and specific skill training in the private school. There has been a failure to bring about an integration of the resources available in the community, and exploration of cooperative arrangements in a few communities might determine how practical such possibilities are.

- A *demonstration public broadcast youth TV program*, on a scheduled basis, which would--

  — Advertise its program and offerings in the local schools.

  — Solicit job listings from employers and give regular job availability bulletins.

  — Interview panels of people in identical occupations to draw out what that occupation requires and offers and how these people had prepared for the occupation and achieved success.

— Interview employers about what they have to offer and why youth would want to work for them.

— Interview graduates who have found jobs with regard to their job-hunting experiences and what worked best for them.

Efforts would be made to see how many viewed the program and who they were and to determine whether they found it useful.

● Development of a *local occupational inventory* of entry-level jobs for graduating high school seniors, done by a consortium of individual citizens and organizations and made available in each high school within the guidance and counseling department. Means would have to be established for keeping the inventory up to date. It would have to be a listing of organizations generally having opportunities rather than a precise, current job vacancy record, which requires considerable statistical expertise and is usually done on a sampling basis.

● Development of an education program or a *guide for local communities* showing them innovative models now in existence to better integrate education and work. The nation is so vast that the likelihood of any community's knowing what other communities are doing is not very great. A system of gathering specific information on individual projects would enable duplication of successful efforts and results.

● A *comparison* (in one or several local communities) *of the job performance* of 18-year-old high school graduates, who have been provided with the necessary on-the-job training with that of older persons doing similar work, to see if there is, in fact, a basis for the large-scale refusal of corporations to hire persons under age 21.

These are meant to be only examples. Their purpose is to show that there are a large number of things to try, based on informed judgment. Any serious effort to launch a series of projects at the local level that go beyond efforts now being made by individual institutions operating in isolation from each other and from the community itself, would turn up other possibilities worthy of a trial run and might very well reject many of the above suggestions.

NEW EFFORTS IN EDUCATION

New developments in education at the federal level are quite important in the overall effort to improve the transition from school to work. A few comments seem warranted in the context of the purpose of this paper, although no attempt will be made to be complete or comprehensive.

Leadership as Well as Money in Career Education

It should be taken as instructive that the largest influence the federal government has had on elementary and secondary education since the response to Sputnik, has been one of leadership, not money. For that large majority of students not in the accelerated math and science courses, career education, an approach initiated in late 1970, may be the most significant federal initiative since vocational education was enacted into law in 1917. Although many states and localities are not quite sure how to implement career education in the specifics, they are increasingly convinced that basic changes are necessary and that the momentum behind the idea of education as preparation for careers is great enough to provide the opportunity for change.

Money played some role in the creation of the career education initiative, particularly in starting the several models, such as Experience-Based Career Education. But the amounts were so small as to be insignificant in a multi-billion-dollar public service industry. What has been started is by and large the result of the personal leadership of Commissioner Sidney Marland and Director Kenneth Hoyt; the continuing support given by Commissioner Terrell Bell and David Jesser of the Council of Chief State School Officers; and the initiative of a number of individual school officials. Things have been brought to the point at which enlarged financial resources will now be necessary.

It would be ironic, though, if a movement started and sustained by individual leadership became dependent for sustenance largely on new federal legislation and appropriations, while the dynamics of its progress thus far were ignored. This is not to suggest that a legislative and financial base is not needed; it is. But it will be tempting to move too quickly beyond reliance on individuals who can persuade others . . . to persuade still others.

Within a very short time, a new Commissioner of Education, working with what funding he had, described the way education for the non-college-bound had become neither good general education nor a means of entering adult employment. Then he proceeded to tell educators what to do instead. Gaining the confidence of practitioners and the understanding of those who had long played important roles in the preparation of youth for employment, was the job of the new Director of Career Education, with the support of the Commissioner of Education. The judgment must be that, by and large, the climate of receptivity has been greatly improved.

Continuing skilled--and adroit--leadership from Washington is an essential, and that leadership's largest contribution at the present time will be to assure that those placed in leadership roles at the state and

local levels are people who understand the need, and who have the skills, to influence educational policy and practice. There cannot be--should not be--federal direction over who is appointed to these posts, for these are state and local matters. But the leadership that creates the climate for encouraging careful selection, and cooperation from other elements of the education establishment, will have to come from those sponsoring the effort in Washington.

The selection of such individuals up and down the line will not very likely result from legislation, policy pronouncements, or grant guidelines. It is rather a matter of the personal efforts of effective leaders. The proposition is that the most important career education matter is personnel, for if recruitment is handled poorly at this stage, all else will come to naught.

Limits of the Classroom

The originators of career education were clear in their recognition that the classroom is as large as the community. The natural tendency of educators, however, is to do what they have always done, which is to reduce the world outside to what can be put into a book or a lesson plan or to what can emanate from an instructor.

The difference in method is important enough so as to transfer the burden of proof onto those who would abstract the outside and bring it in, with the presumption being that what exists in the present can be best understood through observation and participation. This leaves much to be learned about the past, and about what is generalized by adults who have many experiences, for classroom material.

From the number of times one hears the term "hands-on experience," it would appear on the surface that all is well. But we should not assume so, and the record-keeping system for tracking progress in implementing career education should be designed to tell us where progress is taking place. Education has increasingly meant that youth were delayed from joining those who were doing; it would be ironic if career education were practiced in such a way as to reinforce this trend rather than reverse it.

The question of what kind of education is appropriate for the classroom and what for the outside world has perhaps even greater relevance for vocational education, since it teaches specific job skills in the classroom and also provides general theory and basic education to supplement skill training. The matter has too often been approached on a pedagogical basis when it is really a rather practical question of what works and what does not.

The process of deciding on an appropriate vocational education curriculum ought to be carried out on the basis of how employers hire and train in particular industries in a particular community. If they hire on the basis of skills received in a vocational classroom, it makes sense to teach those skills as long as the access of youth to jobs is actually increased and the broader purposes of education are not forsaken. Where employers do their own training and want it that way, it is not a wise investment to train youth in public classrooms. These are matters that can be determined by asking employers what their practices are, what they want them to be, and whether it makes sense to change them. If all vocational education courses were established only after a determination of how employers' labor supply is actually met, much of the doubt that seems to hang over vocational education might disappear.

Assuming Responsibility Without Ability

The very term "career education" suggests that careers can be had through education. They can, but only to some extent. It has become increasingly recognized that we have loaded too much responsibility for socialization onto the schools, and that they are unable to compensate for all of the failures of other institutions. Schools do have limits in their ability to correct the effects of broken homes, bad parenting, the impact of racism, and so on. There are enough factors other than education involved in whether a young person actually lands a regular adult job when schooling is completed so that educators would be wise to be wary of seeming to take all--or even most--of the responsibility for assuring access to quality employment for youth. With regard to youth who do not go beyond high school (about one of every two of them today--a group now growing) most employers just do not hire them for regular adult jobs until they are about 21 years old. It is not likely that a change in what is taught within classrooms is going to significantly alter employers' practices, for hiring is not now based on objective studies of youth preparation and performance ability.

The point is that educators are not going to be able to go it alone and would be well advised to announce to employers and parents and to other community institutions that they share responsibilities with the schools. Better, these several responsibilities would be best met through collaboration at the local level, and the most successful career educators will very likely be those who organize such collaborative arrangements rather than just receive classroom materials.

There is probably already considerable confusion in the minds of students, parents, and the public between education for careers and access to careers. Education does not assure access. The problem is in identifying that portion of access that *can* be facilitated through teaching in schools or through better access to occupational information through schools or through better matching of desires and opportunities through

counseling, as compared with the portion that is controlled by race and sex discrimination, arbitrary employer hiring requirements that exclude youth, and the fact that most specific skill training--more often than not by employer preference--is provided in industry, not in public schools. The relationship between educators and students is only one part of the work of career educators; teaching the public how access to employment is obtained, how it is denied, and how other guardians of access can widen opportunity, is most of the rest of it.

Federal Attention to Counseling and Guidance

The counseling and guidance profession has taken its share of the blame for the little that is done for non-college-bound youth to enable them to make it in the job world, and many in that profession would agree that attention has been going disproportionately to assisting in college choice. Further, the attempt to professionalize the function went far toward thwarting the development of people who if given professional supervision could be of considerable help to youth, as well as helping to overcome what all recognize as a shortage of people to do the job.

While other aspects of education have received considerable federal attention, the counseling and guidance function has largely been ignored, and no legislative base for improvement has yet been laid. The profession, through the efforts of the American Personnel and Guidance Association, has displayed a sensitivity to the existing situation and has formulated legislative remedies that would go a long way toward giving youth the assistance they need in negotiating the job world, through a reorientation of the whole function, through the retraining of existing counselors, and through a greater recognition and use of paraprofessionals.

At this point, responsibility for the next steps lies as much with the Congress and the Executive Branch as it does with the harried counselors.

MEASURING THE TRANSITION

Although America has the finest measurement system in the world, the system has served to illuminate the adult situation much better than it has the transition period to adulthood. It must also be recognized, however, that the Bureau of Labor Statistics, the Employment and Training Administration, the Office of Education, and the Bureau of the Census have assembled a mountain of information about youth. But it is still a valid point that a sharper focus on the transition *process* would have prevented events from drifting as much as they have toward a situation now demanding national attention. As was suggested earlier in this paper, the youth story is not easily read from the available statistics; in fact it is easily misread, and has been, as evidenced by the attention paid to teenage unemployment rates alone.

The insufficiency of present quantitative information is not really traceable to failures of the statistical agencies. What has happened is that in the last few years we have developed a different perception of the situation--a concern with qualitative aspects of the coming of age, and particularly with the role that institutions and the relationships among them play in determining whether admission to adulthood is being encouraged or facilitated, or made increasingly difficult. Given this fact, it is hardly reasonable to expect all the appropriate measurements to be at hand.

There is now enough consensus among policymakers and academic observers to start discussion of what we will need in the future (1) to see where matters now stand as we set out to improve the situation and (2) to see whither we are tending. A few specifics will be set forth to stimulate such discussion.

● While it is perfectly acceptable to maintain traditional labor force statistics on youth for consistency and completeness, those measures need considerable supplementation.[8] As consensus grows that education is a combination of real experience and schooling, the traditional "labor force" concepts have less meaning. What we want to know is how many youth are getting experience and what kind they are getting. While work for pay may be the most prevalent form of experience, it is not the only kind. In arranged work experience programs there are as many who argue that pay should not be involved as there are who argue that it should. If experience opportunities are to become sufficient, much greater reliance will have to be placed on those activities traditionally bearing the "volunteer" label, and greater reliance will have to be placed on local public service opportunities--termed "community internships" by Willard Wirtz. The career education movement is developing "work exploration" as early as the junior high school level, so that what might be called experience shades off into what is meant to be familiarization with the variety of jobs that exist in the American economy.

What this means is that our statistics must capture the experience component of education, in such a way as to understand what these different kinds of experiences are and how much the opportunities are growing. We should also know how many are in some way tied to the planned process of education as well as how many represent solely the efforts of the students.

Although it is not considered appropriate in regular labor force statistics to ask whether a person "wants" a job, as opposed to whether that person is actually looking for one, the distinction is more useful in the case of youth in school. How many experience opportunities we have should be compared with how many are wanted. Further, as the availability of experience opportunities becomes the concern of educational institutions as well as of the individuals in them, the surveys should include the institutions so as to determine unmet needs.

● It is remarkable that we have been so careful to count school enrollments and paid employment status and have given so little attention to training. "Training" obviously overlaps with enrollments in schools, where job skills are frequently taught, and with experience, where job abilities are frequently absorbed. Despite the overlap, there is a lot of job preparation that will not be included in schooling and experience counts.[9] School enrollment statistics include only regular schools granting high school diplomas and postsecondary degrees, excluding many private schools, apprenticeship programs, formal training programs provided by private and public employers, and public programs under the Comprehensive Employment and Training Act and other manpower programs. Schooling, experience, and training are the three means of transition from dependent status to adult worker, and training is hardly measured at all.

● While it would seem reasonable in statistical samples designed for the entire labor force to lump 16-to-19-year-olds together, and sometimes 16-to-21-year-olds, such would not be the case for special statistics designed to track the transition process. Although the early years of existence are when the explosion takes place in the development of cognitive capacities, it is in the 15-to-20-year-old period of life that there is acceleration in development in terms of entry into adult society. The search for a mate commences, independence from parents is asserted, employment relationships emerge, behavior patterns are tried on for size, and for most young people, some accommodation to the society created by those born before them is made. As parents around the age of 40 will testify, these changes occur at breakneck speed.

From the point of view of society, ages within this period also differ greatly. Special employment laws affect all youth under 18 but have greater impact on youth under 16. For employers--at least those using "adult" labor--youth under 20 or 21 are largely viewed as not ready for employment. The law, depending on the state, establishes the age of majority somewhere right in the middle of the typical age class of government statistics.

The point of all this is that the circumstances of youth vary greatly with as little as one year's difference in age, and the averaging of experiences across four to six years is not likely to reveal much that is useful about the transition process, which to such a large extent takes place *within* that four to six years. The record-keeping should begin at about the time when the assertion of independence from the family commences, and when serious efforts within education (and the larger community) should commence to provide learning experiences--say around age 14. It should continue until the age at which most define entry into adulthood, which would very likely be at age 21 if the matter were put to a vote. And the reporting should proceed at one- or, at the most, two-year age intervals.

● The major statistics covering this life span are for the "civilian noninstitutional population." Whether one is or is not in an institution seems to define the right to be counted in those statistics by which the health of the society is judged. When a 14-to-21-year-old spends a substantial period in a health, penal, or military institution, there is likely to be all the more reason to take the pulse of the transition process. It is not a matter requiring a lot of words. The facts are, however, that a significant proportion of the youth population pass through such institutions at some time in their lives, and the character of that experience may be a major factor in shaping the rest of their lives. Any report on the nation's youth in the terms suggested above--in fact, even in the terms already being rendered--ought to include all young people.

GETTING IT TOGETHER

There is now a long history of the federal government's talking about "the transition from school to work" and "bringing education and work into a closer relationship." In the early 1960s, federal attention was riveted on the high school dropout problem, "social dynamite," in the words of James Conant. It went unrecognized then that even high school graduates did not have regular jobs to drop into, unless they pursued college educations. The realization that those who had been born in the post-World War II baby boom were hitting the labor market focused attention on whether there would be enough jobs to absorb them. Both these developments steered attention away from the trends toward institutional separatism and the growing distance between the world of experience and the lengthened portion of life being spent in the classroom.

The matter of closer institutional relationships came under examination in the late 1960s in the Departments of Labor and Health, Education, and Welfare (HEW), the result of a mandate issued by the President in the 1967 *Manpower Report of the President*. The requested joint report was duly submitted and at the request of the White House, turned into specific action recommendations. A legislative proposal was drafted for a "Partnership for Earning and Learning" between Labor and HEW that would have required joint efforts by the two Departments. It never emerged from the Executive Branch.

In the early 1970s, at the initiation of the Secretary of Labor, another extensive policy development exercise was begun, with the participation--and eventual agreement--of the Department of Commerce and the Department of Health, Education, and Welfare. Cabinet changes just before the matter was to be placed before the White House sidetracked that effort.

The President's speech at Ohio State University in August 1974, calling for a closer relationship between work and education and requesting the three Cabinet Secretaries to prepare an action plan for him, has so

far resulted in nothing, although Cabinet-level memoranda have been publicized in the press. Again, several changes in the heads of the three Departments have occurred during this period, each time necessitating a pause for a new Cabinet member to come to grips with the work and agreements of his predecessor. At each step the interaction of White House and Office of Management and Budget staff, with the recommendations of the three Cabinet agencies, has worked to postpone action rather than to bring it about. The public, of course, is in no position to judge the reasons that action has not been forthcoming. Another important element, within the last year, is the existence of the National Commission for Manpower Policy, which has a strong interest both in the substance of the matter and the problem of coordinating activities among the federal agencies with the greatest involvement, all of whose heads are members of the Commission.

Thus far, cooperative effort at the staff level among the three Departments has been considerable in laying plans for what could be done, with a greater recognition of what they have the power to do based on some rather strong mandates in existing legislation and appropriation acts. The possibilities for a federally aided initiative still appear to exist. The history of the last seven or eight years being what it is, however, there is limited encouragement for supposing that ad hoc joint planning efforts depending on implementation by officials here today and gone tomorrow are going to result in very much. If the forces of institutional separation are so strong among federal Cabinet agencies that joint effort in the interest of smoothing the transition to adulthood is seriously hampered,[10] it only underscores how much the state of affairs has been allowed to drift in a direction not at all favorable to the nation's youth.

Hard as it may seem, the only workable arrangement is likely to be in having each of the three Departments give up a bit of its institutional sovereignty in order to create something in which the pieces are fitted together. If organization of the federal establishment continues to be around client groups and professional establishments, as it seems likely to be, accommodations will need to be found that depart from both past practices and traditional principles of federal administration. At present, federal organization mirrors the situation at the local and state levels, where forces are increasingly centrifugal. The Commerce Department reflects the disinterest and noninvolvement of the business community in education affairs, although with some recent inclinations to do otherwise. The Department of Labor has settled in to defining manpower policy largely as whatever a CETA prime sponsor thinks it is, usually meaning training and public employment for the disadvantaged, all of which does not include any restructuring of basic institutional relationships, although there are recent indications of a clear intent to do more. The Labor Department's new National Occupational Information Service has required the participation of state education departments, and represents a new initiative based on collaboration. The Office of Education has a large

amount of autonomy to carry out legislative mandates. Although career education is still largely an idea of educators to be implemented in the classroom, it has extended itself into employment and community in its advocacy of the actual exploration of careers outside the school grounds. The National Institute of Education is clearly interested in local collaborative arrangements and has made a major contribution with its Experience-Based Career Education models.

What may work better than these somewhat isolated efforts is the creation of a mission and a small staff by the three Cabinet Departments, but operating outside any one of them. The staff director should be accountable to the responsible Cabinet Secretary or Secretaries and should receive operating funds and specific delegations of authority from them. Some such arrangement has probably been discussed within the Executive Branch; no claim of originality is here advanced.

The purpose of this combined effort would be to increase the number of participants involved in the process by which youth achieve adulthood, to bring about an interlocking of the institutions that youth have to negotiate, and to draw out resources now dormant in the community. This aim would very likely be best realized by the government's providing some, but not all, of the funding for local projects (of the kind suggested earlier), organized with some element of local initiative and nurtured but not controlled by government. It would, without doubt, require sensitivity and a sense of balance for government to spark change without igniting the tendency toward government programming and control.

A staff under the direction of the appropriate Cabinet Secretaries with a mandate to operate without the blinders of clientele and professional representation would need the breadth of understanding to realize that it could not—indeed should not--be totally freed from these concerns. Subunits of each of the three Cabinet agencies have been charged by the Congress and their Department heads with specific--and legitimate--functions. It is neither necessary, desirable, nor likely that a czar could assume line direction of their activities. Rather, the lines of power should be clear enough to allow the achievement of cooperation; what is wanted is that the agencies carry out their responsibilities with greater collaboration with others and that they contribute their share toward a goal pursued in a locality by a number of individuals and institutions, rather than just one. The government cannot organize wholly around function, or at least that type of organizing has not proved achievable in the past. Certain goals, however, cannot be achieved with the separation that results from clientele lines of organization, the present basis on which HEW, Labor, and Commerce have been assigned their duties. Therefore, some blending of the two is called for. Needless to say, this blending is worth doing carefully, with an attention to stability that goes beyond a dependence on a continuation in office of all the Cabinet Secretaries, Under Secretaries, and Assistant Secretaries present at the creation.

CONCLUSION

The situation of youth today in the transition to adulthood is to be found as much in examining what we do with our affluence as how we suffer deprivation; as much in thinking through the prolongation of childhood in which youth are kept from adulthood as in pushing youth onto the factory floor too soon, as we did earlier in the American industrial revolution; as much in the success of developing huge professional institutions, going their separate ways, as in muddling through with amateurs and suffering the privation that went with smallness of schools, businesses, and towns; and as much in the perfection, sophistication, and continuity of our statistical measurements as in the chaos that results from changing them.

The emphasis here has been on the possibilities of a helpful federal initiative, because that is the responsibility of those who commissioned these papers. This emphasis led quickly to the problem of marriage between federal concern, analysis, and financial resources and community initiative. The necessity for collaboration among the federal power centers was posed as at least one precondition for success. . . or for courting the communities, for that matter.

Any problem of breakdown in the youth transition raises a question of society's continuation. Any aid that federal policy and money can provide depends for success on clear recognition of federal limitations as well as capabilities; and the same willingness for cooperation--collaboration--among its disparate organizations that it must ask of states and communities.

NOTES

1. See James Coleman, et al., *Youth: Transition to Adulthood* (Washington, D.C.: Office of Science and Technology, Executive Office of the President, June 1973) for a thorough analysis of historical trends.

2. Except, of course, during depression periods like 1975.

3. See particularly the studies of Diamond and Bedrosian, Gavett (Bureau of Labor Statistics), and the National Manpower Institute. The results of these and others are summarized in "Youth Unemployment and Career Entry," by Barton, contained in *Labor Market Information for Youth*, edited by Seymour Wolfbein.

4. See particularly the work of Jerald Bachman and Project Talent.

5. BLS has made more recent projections of the labor force, but not by race, because new population projections by race are just becoming available. The 1970 projections are out of date, since labor force participation rates for black males and females are running substantially below those projected for 1975 back in 1970.

6. Many of the Comprehensive Training and Employment Act (CETA) programs try to get at this problem, but in inadequate numbers and with little attention to the kind of experience that really helps in the job market. "Public service employment" seems not to be gaining favor; some form of "community internship" shaped at the local level may have to be tried.

7. The purpose and function of Community Education-Work Councils is treated at considerable length in *The Boundless Resource* by Willard Wirtz and the National Manpower Institute (1975).

8. A respectable argument can be made for replacement rather than supplementation, and for the elimination of in-school teenagers from the national labor force measurements.

9. For a full development of the concept of the "training force," to parallel the "labor force," see *A Critical Look at the Measuring of Work*, by Willard Wirtz and Harold Goldstein (National Manpower Institute, 1975).

10. This recognizes, of course, that federal--or even state and local government--effort is only a limited part of what must also be a private and community affair.

Chairman HUMPHREY. Thank you very much, Mr. Barton.

We will have our third witness, and then we will come back to the questioning.

Mr. Anderson, thank you for joining us today.

STATEMENT OF BERNARD E. ANDERSON, PROFESSOR, THE WHARTON SCHOOL, UNIVERSITY OF PENNSYLVANIA

Mr. ANDERSON. Thank you very much, Mr. Chairman. I have submitted a statement that can be published in the record of the hearings. I will try to summarize that very quickly so we can have questions and answers, perhaps.

Certainly while the problem of youth is serious in general, I think the problem of youth in the inner city is much worse. When viewed in the light of other youth problems the conditions can only be called dreadful. And most importantly, it has gotten progressively worse in both good times and bad. By any measure of social and economic well-being, the condition of youth in the inner city, is in a deplorable state. If we just look at unemployment rates, for example, we find that black youth have experienced an upward trend in unemployment rates which have consistently been above 25 percent since around 1959 or 1960. It is now in the neighborhood of about 40 percent.

And not only that, we can look at the withdrawal of large numbers of these youth from the labor force, that is, they are neither employed nor looking for employment. The labor force participation rate among black youth aged 16 to 19 has declined from about 46 percent to less than 41 percent over the past 16 years, while the participation rate among white youth of the same age has increased. That means several things. First of all, it means the measured rate of unemployment does not begin to indicate the full degree of the problem of joblessness for this group. It also means there are serious implications associated with the labor market experience. The fact is that large scale joblessness, the inability to be productive, the inability to find work, the inability to feel a sense of identity associated with work, will lead large numbers of black youth to question the fundamental values on which the Nation is based.

We are a Nation which believes in the work ethic, we believe the only virtuous man is one who lifts himself by his bootstraps. And here we have large numbers of young people who cannot hope to have any kind of work experience during the very formative years.

There are a number of factors which explain that. One, I think, is the decline in the number of semiskilled and in some cases unskilled entry level jobs for inexperienced young people. Many of the jobs have left the inner city and have moved to the suburbs. Many have gone to other regions of the country from the northeast and the Midwest. And many have even left the country. This reduces the pool of job opportunities that traditionally have offered ports of entry for young people into work.

Another factor I think is a decline in the number of small shops and businesses in the cities. I can recall when I was a teenager in Philadelphia I had a job as—they used to call us soda jerks—in a little drugstore adjacent to the University of Pennsylvania campus where I am privileged now to be a member of the faculty. That store no longer

exists. They tore it down 3 years ago to make way for a new building, but did not obtain development funds, so now it is a vacant parking lot. The point is that this sort of thing has happened in many communities. Where are the small drugstores anymore? Where are the small neighborhood shops? We have large supermarkets, but young people can't be employed there because of the union restrictions and the high wages and other barriers. We have a situation in which many of the places of employment, where young people traditionally found jobs, have gone out of existence. And they haven't been replaced by anything.

Another factor, I think, that diminishes the employment opportunities for youth in the inner city is the deterioration of public education. The quality of public education in the inner city is dreadful. A recent study in Philadelphia showed that about 40 percent of the graduates of the Philadelphia public school system did not have the reading competence of the 10th grade.

Several years ago I had the privilege to do a study for Reverend Sullivan of the OIC. I know you are familiar with that.

Chairman HUMPHREY. Yes.

Mr. ANDERSON. We found that a number of the young people coming to OIC for training were graduates of the Philadelphia public school system. Many of them did not have competence in reading sufficient to permit them to fill out the application form. That diminishes employment opportunity. What we can do about that, quite frankly, I don't know.

Finally, it must be said that racial discrimination against black youth in the inner city is a very serious problem, and further diminishes their employment opportunities.

Now, we can go on and on and identify the problems and the dimensions of the problems. I have done that in the paper.

Chairman HUMPHREY. You also made note in your paper that a large number of inner city youths are in communities in which there is a dwindling number of jobs in the inner city itself.

Mr. ANDERSON. In the inner city itself, yes.

Chairman HUMPHREY. So that it is complicated in several ways. People are not always mobile. I hear people say, well, there is really a shortage of workers in Arizona. The fellow at Thief River, Minn. is not about to get on his bus and leave his wife and three kids and mother and sick grandmother and take off for Arizona if he really doesn't have to do it. If it is a matter of life and death he may do it. But if he has got a little unemployment compensation or savings he is going to hang on.

Mr. ANDERSON. These problems have been identified by others. I am not the only one who has called attention to that. I don't want to belabor that. I think many of us know what the problems are.

I would like to turn very briefly to some of the solutions that we have designed and tried to implement over the last decade.

The principal direction of policies designed to assist youth seems to have been in the Neighborhood Youth Corps and the Job Corps. The Job Corps was designed specifically for the disadvantaged and the hard core, as I think they were called, and had resident training

centers but moved later to nonresidential training centers. I think that the major training program really has been the Neighborhood Youth Corps. Unfortunately I think the evidence will show very clearly Neighborhood Youth Corps simply has not worked, especially the summer sessions. Far too often the summer program turns out to be nothing but make work that has no redeeming value. In fact, all too often in cities like Philadelphia and New York the young people are hired in the summer to scrape the grafitti off the poles that they have been putting on for 9 months during the academic year. And for all the value there is in that, the fact is that there aren't very many employers that are going to hire these younger people to scrape grafitti off the telephone poles.

The other criticism I have of the Neighborhood Youth Corps is its limited implementation through Government organizations. The private employers do not participate in this. Community-based organizations do not participate. To the extent that anyone other than a Government agency participates it is at the behest of the State and local crime sponsors under CETA now. So I think that the record will show that the Neighborhood Youth Corps simply has not worked, it hasn't done the job, and I doubt that it is capable of doing the job, in part because I think one of the reasons for the development of the Youth Corps, at least the summer segment, was to try to reduce the tendency or the potential for disrupting inner cities. Now, I think that may be a laudable social objective. But I think we can achieve the objective of minimizing that kind of problem by moving in a different direction. I might add that most of the increase in expenditures for youth programs since 1969 has been for the summer Neighborhood Youth Corps. There has been an increase in expenditures of about $662 million, and 91.4 percent of that was for the summer segment of the Neighborhood Youth Corps. I think that we can do better. The time has come for the Nation to move away from short term paliatives and to consider a major national emphasis on the youth employment problem. I will suggest here a set of ideas which emerged from two conferences this year, a conference on the universal youth service held at Hyde Park, N.Y.—and Don Eberly is here, who had a major hand in that. Another conference was on manpower goals for American democracy convened at Arden House in Harriman, N.Y. in May. This is a call for a National Youth Service that will redirect manpower training funds primarily toward out of school youth. Such a program would involve: (1) a substantially enlarged commitment primarily to assist poorly prepared youth to become productively employed in the economy, with strong emphasis on performing useful work in the community; (2) the creation of a separate organizational entity within the Department of Labor; (3) the inclusion of a broad spectrum of the youth population, and not just the disadvantaged; and (4) emphasis on full-time jobs with job counseling and training to the fullest extent possible.

Now, the net cost of a program of this type is a matter of some debate, but I think that it need not be significant, because we are now spending in the neighborhood of $2 to $2½ billion a year for youth

programs. I think much of that expenditure can be reprogramed to support a national youth service. It would not be unreasonable to think in terms of starting modestly at about 600,000 participants the first year, and increasing gradually to an authorized annual enrollment of about 1 million youth 16 to 21 years old.

Young people in the service would be engaged in productive work aimed at the visible improvement of their physical and social environment. I think the Secretary of Labor should be authorized to enter into contracts with public nonprofit or private firms with a capability of managing such work efforts. The stipend and grade of work scale would be congruant with the youth wage scales in the community but I would be unalterably opposed to any employment of youth at less than the statutory minimum wage.

I quite agree with Mrs. Reubens that the evidence on this does not show at all that a differential minimum wage would do anything at all to improve the situation for youth, and might in fact worsen the employment opportunities for adults with whom youth would inevitably compete.

Funds through the Community Development Act, general revenue sharing, and other sources, can provide materials and supervision of work performance. I think the main thing here, Senator, that we need to have a national focus on the youth problem. We need to target on that problem as an important priority in our manpower policy for the Nation. We now are spending quite a lot of money for youth programs. But we suffer from the inability or the unwillingness thus far to consolidate that into a central focused program that would deal specifically with this problem.

I think there is a precedent in the Nation for this. The first program developed in the 1930's by President Roosevelt was, I think, the CCC. Even before the other programs were developed there was a CCC. And he then came forward with the National Youth Administration—which, incidentially, accounted for approximately 7 percent of the Federal budget. Today the amount that we are spending on youth represents less than 1 percent of the Federal budget, so in that sense we have moved backward from the idealism that we had in the 1930's regarding young people. I think we need to redirect that and come back to focus on youth, because this is a far more serious problem with profound implications for the Nation at large in the future than I think most of us realize.

Thank you very much.

[The prepared statement of Mr. Anderson follows:]

PREPARED STATEMENT OF BERNARD E. ANDERSON

THE YOUTH LABOR MARKET PROBLEM

Mr. Chairman and members of the committee: I can think of few problems more worthy of public attention today than the unemployment and labor market problems of youth. This issue carries profound implications for economic and social progress today, and for the years ahead. Although the problem exists in many communities throughout the nation, my remarks will focus primarily on the dreadful situation confronting youth in our major cities.

The employment problems of youth in the inner city are perhaps the most serious of any demographic group in the American labor force. Almost all measures of economic and social well being are less favorable for inner city youth than for others, and most important, have shown little tendency toward improvement even during periods of generally vibrant economic activity. For this reason, public policy prescriptions for improving the economic status of youth must take specific account of conditions in the inner city which constrain income and employment opportunities.

Measuring the problem

Although a cursory examination of jobs and income in the inner city will reveal serious disparities in comparison with conditions in other areas, reliable statistical information on labor force status, trends, and behavioral motivation among inner city residents, especially youth, are not available. As a result, there is insufficient public awareness of the dimensions or real significance of the labor market problems of inner city youth. In the absence of reliable information, analysts and public officials must rely on conflicting data and perhaps conflicting value judgments in formulating effective public policies to deal with the employment problems of youth.

Faced with inadequate information, some observers have been led to speculate on the real causes of joblessness among inner city youth. One argument often presented in discussions of this issue is that the unemployment rate is an inadequate measure for understanding the problems of joblessness among youth. Many believe that because youths are attending school in large numbers, they seek only part-time jobs in order to supplement their discretionary income.

Yet a substantial majority of those aged 18 and 19 have left school and are interested in full-time jobs. Further, a significant number of inner city youth aged 16 and 17 want full-time jobs, and often those who are in school, while seeking part-time pobs, need employment as a condition for completing school. Adequate statistical data on the school attendance, work experience status of youth are not available for local areas, so we do not know the magnitude of this aspect of the problem for inner city youth. Much of the available information on this question is derived from direct observation of community workers and others involved in the administration of government funded manpower programs.

Narrowing the issue

Despite the deficiencies of existing statistical data, some useful information on youth unemployment can be obtained from reports periodically issued by the U.S. Bureau of Labor Statistics. In the following discussion, emphasis will be placed on the employment status of black youth because a large segment of this group resides in the inner city. There is little question that the "inner city" problem is heavily burdened with race (and Spanish-speaking) implications. Thus, to the extent that one focuses on the problem of black youth, one can obtain insight into the special problems of inner city youth.

Some recent trends: School and job status

A much smaller proportion of black teenagers than white are in the labor force at any time. Among blacks who are in school and in the labor market, however, the job finding experience is less favorable than for white youth. For example, in 1974, black teenage males accounted for 9.9 percent of all males aged 16 to 19 in school and in the labor force, but only 8.0 percent of those at work. Similarly, black female teenagers comprised almost 9.0 percent of the female teenagers in school and in the labor force, but only 6.1 percent of those with jobs.

About 4.2 million teenagers were in the labor force, but not in school. This group, only slightly smaller than the number in school, were less successful in finding jobs. Undoubtedly, employers use age as an index of maturity, and as a result, young men and women out of school, especially those who are single, find it difficult to obtain jobs during the later teen years.

EMPLOYMENT STATUS OF LABOR FORCE 16 TO 19 YEARS OLD, BY SCHOOL ENROLLMENT STATUS, AGE, SEX, RACE,[1] OCTOBER 1974

[Numbers in thousands]

Race and sex	Enrolled in school			Not enrolled in school		
	In labor force	Percent of population	Employed	In labor force	Percent of population	Employed
Both sexes	4,434	41.6	3,750	4,155	76.2	3,439
Male	2,383	43.8	2,047	2,214	87.5	1,851
Female	2,051	39.3	1,705	1,941	66.4	1,589
White male	2,148	46.3	1,881	1,937	88.0	1,661
Black male	235	29.2	165	278	84.2	190
Percent black	9.9		9.0	12.6		10.3
White female	1,872	42.3	1,599	1,720	68.8	1,444
Black female	177	22.3	104	220	51.6	144
Percent black	8.6		6.1	11.3		9.1

[1] Statistical reports show data for "nonwhites." Because blacks represent about 92 percent of all persons classified as nonwhite, the term "black" will be used throughout the paper.

Source: Bureau of Labor Statistics, "Students, Graduates, and Dropouts," Special Labor Force Report, No. 180 (1975).

A closer look at school and labor market experience can be obtained by comparing the unemployment rates of school enrollees, graduates, and dropouts. A cursory examination of the evidence for 1974 shows high unemployment rates among youth regardless of school status. Yet, there are significant differences in the labor market experience of graduates and dropouts, and among blacks and whites. Among whites, high school graduates experienced somewhat less joblessness than dropouts, but among blacks, high school graduation failed to provide a ticket to greater labor market success. Instead, black high school youth who graduated in May 1974 had an unemployment rate in October 1974 of 7.0 percentage points higher than that among those who dropped out of school during 1974–75.

UNEMPLOYMENT RATES BY SCHOOL STATUS AND FOR HIGH SCHOOL GRADUATES AND DROPOUTS, BY AGE, SEX, AND RACE, OCTOBER 1974

	Enrolled in school		Not enrolled in school					
			Total		Graduates[1]		Dropouts[1]	
	White	Black	White	Black	White	Black	White	Black
Both sexes:								
16 to 24 years	11.5	28.0	9.3	21.0	14.6	38.6	16.2	31.6
16 and 17	14.9	36.8	20.8	(2)				
18 to 19	10.1	31.1	14.0	31.4				
20 to 24	7.2	16.5	7.1	16.9				
Men, 16 to 24	11.0	24.1	8.8	19.4	15.3	15.3	24.5	24.5
Women, 16 to 24	12.0	33.9	9.9	22.8	18.6	18.6	36.2	36.2

[1] Graduating or dropping out during the academic year 1973–74.
[2] Percent not shown where base is less than 75,000.

Source: Bureau of Labor Statistics, "Students, Graduates, and Dropouts," Special Labor Force Report No. 180 (1975).

The difference in unemployment experience by school status may reflect several forces at work in the labor market. First, the relatively high unemployment rate among youth in all age categories suggests a high degree of shifting about between jobs, and in and out of the labor force. Through this process, young workers gain important knowledge about the world of work, and begin to form preferences regarding lifetime career goals and aspirations. Some of the joblessness might be reduced through better counseling and job market information, but job changing among youth will probably always exceed that among adults.

Second, the relatively greater labor market difficulties among black youth are undoubtedly related to their concentration in inner city communities where there is a dwindling pool of semiskilled jobs, and fewer opportunities for employment except in menial service occupations. Racial discrimination in employment must also be identified as one of the major barriers to greater labor

market success for black youth. In fact, these and other unfavorable conditions in urban labor markets help explain the high rate of nonparticipation among black youth in the labor force. One of the reasons black high school dropouts have a lower unemployment rate than black graduates is that many of the dropouts have given up the search for work and thus, are not counted among the unemployed.

Unemployment trends

The unemployment problem of black youth has worsened progressively over the past decade. One measure of the trend can be obtained by comparative examination of youth unemployment relative to that for the labor force at large. Since 1960, the black teenage unemployment rate has increased from almost 25 percent to nearly 40 percent. It is important to note, however, that during this period, the ratio of black youth unemployment relative to that of adults increased markedly, while a similar comparison of the unemployment rate of young whites relative to adults showed little change.

It is also important to note the conflicting trends in labor force participation among black and white youth. Since 1960, (and the trend would be even more evident if the comparison began with 1950) the labor force participation rate among black youth has declined by 4.3 percentage points, while that among white youth actually *increased* by 8.4 percentage points. No doubt, worsening job prospects for black youth help explain these divergent trends.

The withdrawal of large numbers of black teenagers from the labor force, even those seeking part time jobs, means the standard unemployment rate fails to capture the full impact of the problem of joblessness. In reporting the black youth unemployment rate, it is important to remember that the 35.2 percent unemployed (first quarter, 1976) represent less than half of those in the 16–19 age group.

LABOR FORCE PARTICIPATION AND UNEMPLOYMENT AMONG YOUTH 16–19, 1961 TO 1974

	Labor force participation rate [1]		Unemployment rate		Ratio teen to total unemployment rate	
	White	Black	White	Black	White	Black
Year:						
1960	49.3	45.8	13.4	24.4	2.43	4.44
1961	48.0	44.8	15.3	27.6	2.28	4.12
1965	47.5	41.7	13.4	26.2	2.98	5.82
1966	49.4	43.1	11.2	25.4	2.94	6.68
1967	49.8	43.9	11.0	26.5	2.89	6.97
1968	49.9	42.9	11.0	25.0	3.06	6.94
1969	51.2	42.7	10.7	24.0	3.06	6.86
1970	52.0	41.4	13.5	29.1	2.76	5.94
1971	54.6	38.7	15.1	31.7	2.56	5.37
1972	54.5	39.7	14.2	33.5	2.54	5.98
1973	56.4	41.1	12.6	30.2	2.57	6.16
1974	57.7	41.5	14.0	32.9	2.50	5.88

[1] The ratio of the noninstitutionalized population, 16–19 employed or seeking jobs.

Source: U.S. Department of Labor, Manpower Report of the President, 1975.

Sources of inner city job problems

The employment difficulties of inner city youth have been exacerbated by unfavorable trends in job oportunities in the cities. The well documented evidence of industry relocation reducing the number of semiskilled jobs in the city compared with areas outside the city contributes to a shortfall in employment opportunities for youth, especially those 18 and 19 years of age. Perhaps even more important is the continuously changing structure of labor demand in expanding occupations within the city. Increasingly, the jobs located in the city segment of major metropolitan areas call for a level of education and skills not available among the large numbers of inner city youth. The widespread inadequacies in the quality of public school education (reflected in the annual surveys of student achievement) do little to prepare youth for even the available entry level jobs which require only modest educational attainment. For example, in Philadelphia, a recent study sponsored by the State Department of Education reported that about 40 percent of the high school graduates failed to attain a level of literacy comparable to a tenth grade education. As a result of

such disparities between the educational preparation of youth, and the hiring standards of employers, large scale unemployment among inner city youth often exists simultaneously with significant numbers of job vacancies in entry level white collar jobs in many cities.

In addition to these factors, the changing attitudes of youth toward labor market participation undoubtedly contribute to the problem of joblessness. Many inner city youth reject menial, service type jobs previously accepted by youth newly entering the labor market. The preference today seems to be for "good" jobs, or at least entry level positions which appear to lead toward higher status and higher income in the near future. The attitudes and motivation of youth toward the labor market and job opportunities play a large role in determining their employment experience.

Public policy prescriptions

Remedial manpower programs developed during the past decade were beamed heavily toward youth. Between 1965 and 1972, for example, 73.2 percent of all first time enrollees in major manpower programs were under 22 years of age.[1] The Neighborhood Youth Corps and the Job Corps were the major youth programs, but substantial numbers of disadvantaged youth also participated in MDTA Institutional Training, the Concentrated Employment Program, JOBS, and the Opportunities Industrialization Centers.

Unfortunately, the Neighborhood Youth Corps has not contributed significantly to an improvement in the labor market status of youth. NYC is mainly an income transfer program for youth that does not emphasize the development of occupational job skills. Most projects are make-work, part-time jobs paid at the minimum wage, and administered through state and local governmental sponsors. The major component of NYC, the summer employment program, is even less oriented to skills training than the out-of-school, year round component.

Despite its shortcomings, NYC has received the lion's share of increased federal funding for youth labor market programs. Total expenditures doubled between 1969 and 1974 to a total of $662 million. Almost all this increase (91.4 percent) was for the summer youth programs. Summer NYC expenditures increased by over 200 percent during the past seven years to $410 million, while enrollment in such programs increased by two-thirds to 755,000 persons in 1975.

National youth service

The time has come for the nation to move away from short term palliatives and to consider a major national emphasis on the youth employment problem. Several promising alternatives were considered this year during the conference on Universal Youth Service, at Hyde Park, N.Y., in April; and at the American Assembly on Manpower Goals for American Democracy, meeting at Arden House in May.

What is required today is a National Youth Service that will redirect manpower training funds primarily toward out of school youth. Such a program would involve: (a) a substantially enlarged commitment primarily to assist poorly prepared youth to become productively employed in the regular economy; (b) a strong emphasis on performing useful work in the community; (c) the creation of a separate organizational entity within the Department of Labor; (d) the inclusion of a broad spectrum of the youth population; (e) an emphasis on full-time jobs with job counseling and training to the fullest extent possible.

The net cost of such a program would not be significant because existing manpower expenditures for NYC (now running about $1.2 billion including the summer program) can be reprogrammed to support a National Youth Service. The program might start modestly with 600,000 participants the first year, and increase gradually to an authorized annual enrollment of about one million youth 16 to 21 years old. Because not all youth will remain in the program for a full year, the total number of participants will be greater than the average monthly number.

Young people in the Service would be engaged in productive work aimed at the visible improvement of their physical and social environment. The Secretary of Labor should be authorized to enter into contracts with public, nonprofit, or private firms with the capability of managing such work efforts. The stipend and

[1] C. R. Perry, B. E. Anderson, R. L. Rowan and H. R. Northrup, "The Impact of Government Manpower Programs" (Philadelphia, Industrial Research Unit, University of Pennsylvania, 1975), p. 22.

graded wage scale would be congruent with the youth wage scales in the community. Funds through the Community Development Act, general revenue sharing, and other sources can provide materials and supervision of the work performed. Participation in the Service should be limited to two years during which youth would gain opportunities for skill acquisition useful for transition into regular employment.

It is unlikely that anything of significance will be done about the youth employment problems of the inner city until the nation turns specific attention to the problems of the young as a matter of social policy. Current federal programs to aid non-college bound youth in their transition from school to work are small in comparison with the need, and are not targeted properly to help relieve the problem. Economic recovery, by generating more jobs, will have some effect on youth employment, but economic growth alone will not improve significantly the conditions for minority growth in the inner city.

A new national effort, designed to consolidate and redirect much of the current spending on youth holds promise of generating the kind of focus, energy, and purpose necessary for achieving measurable gains in the labor market status of youth. The National Youth Service idea deserves careful examination as an alternative to the current efforts which, thus far, have proven to be unsuccessful.

Chairman HUMPHREY. I thank you.

I want to thank you most specifically for your proposal that you outlined here in the final part of your statement on the National Youth Service, because what you have said is patently true. The Neighborhood Youth Corps—I want to comment about both its assets and liabilities and limitations—the problem with the Neighborhood Youth Corps is that it doesn't leave much behind it in terms of what has actually been done. And there is no time frame for planning the kind of programs that need to be undertaken. And this again is due to the Congress and the administration failing to come to grips with the program on more than a 1-year basis. I guess we sort of feel around here that everything is going to be corrected in 1 year. You will notice that I don't believe that. I think that this business of budgeting and authorizing for 1 year at a time is as useless as a five-legged bug. I don't think it has very much usefulness at all. I think that we ought to be looking ahead instead of wasting vast sums of money.

Much of our problem with Federal aid to education has been that the school people couldn't properly program the use of Federal funds, because we never got around to passing the funds until a month or so after the schools had opened. And then they weren't allowed to plan the use of the funds, because if you don't use up the funds you can't make a case the next year in Congress for the appropriation that you need. And I know, from emperical evidence and from personal observation, that large amounts of money have been used ineffectively, and in a very real sense, wastefully in order to justify next year the claim for an additional appropriation—not that the funds wouldn't be needed if they were properly planned, they were just not properly planned.

Somewhere along the line this morning—I have forgotten who the witness was—someone talked about the necessity of coordinating the Federal Government's monetary policy, fiscal policy, and budgetary policy, which I think on its face would sound like it is a rather sensible observation. But again we don't have that.

Now, I am one of the authors of the bill around here called the Humphrey-Hawkins bill, which is going through the stages of modification. We have in that bill two sections. The first section relates to basic Government economic policy. It calls for some planning, not the

82-043—77——8

kind of planning that tells the steel industry how many tons of steel it can produce or the farmer how many bushels of wheat he will produce. But it calls for some better coordination of the economic tools of Government, and in stating the goals we seek to achieve in employment and gross national product and in income, which seem to be rather reasonable objectives. And it calls upon the President in consultation with his Cabinet, with the Office of Management and Budget, the Department of the Treasury, the Council of Economic Advisers and the Federal Reserve System, to present to the Congress of the United States not only the goals but also some of the means to achieve the goals. Because I happen to agree with Mr. Samuel who was here, that you have got to look at youth unemployment within the framework of a full employment economy, knowing that there are structural differences. I am not unaware of that. And that is why in the Humphrey-Hawkins bill we have a segment on youth unemployment. And why did they separate out youth unemployment? Because it is different. No matter how much you look at the total employment picture, in today's society with the family structure being what it is, with the urban situation of our society, the technology being what it is, and what you have just said here about how there used to be all the little stores and shops as there were when I grew up as a boy, that is all changed. Therefore the problem of youth unemployment is separate and distinct. You don't get the chaps that you used to have as a boy or a young woman and at your home town levels to become an apprentice without being in an apprentice program. That is why we talked in the Humphrey-Hawkins bill about a goal of unemployment of not more than 3 percent adult unemployment.

Now, what are the figures? Some people say 3 percent is too low. And that is all arguable. I just happen to think that we ought to have tight goals. I think you ought to try to figure out how to run the mile in 3 minutes and 50 seconds. Anybody that is good today can run it in 4 minutes. So let's get the goal down. Let's find out—this is what we do in the aviation industry, we see if we can't get a plane that will fly just a little faster. But when it gets down to something like employment, and you get around to talking to financiers, and the establishment crowd that likes it the way they have got it, you say that there is to be 3 percent adult unemployment, they begin to have a conniption fit, as if it can't happen. Of course it has happened in many countries in the world. And then we lift out of that that group called youths, age 16 to 20, because they are different. And your testimony here this morning has told me that it is different. I want to call up some of these characters that are writing these editorials about the Humphrey-Hawkins bill and tell them that there is a difference, a 3 percent unemployment for adults, coupled with the youth unemployment goals that we would have, would be about 4 percent unemployment across the board. There isn't anybody today that really wants to get up and give a speech that you really shouldn't have a goal of 4 percent unemployment. But when you use the word 3 percent for adults, it just triggers all kinds of reactions.

Our problem here is a problem of attitudes. I think it has been stressed here, if I have gotten anything out of this hearing this morning that is helpful to me as a Senator, it is—and I believe, Mrs. Reubens, you emphasized it, as you did, Mr. Barton and others—that

there has to be a greater emphasis, a greater focus, upon the rather unique distinctive problem that is not only American today, but is a worldwide phenomenon of youth unemployment. And the old traditional methods of just stimulating the economy, of just using budget policy—and my good friend Arthur Burns dickering around with the discount rate—doesn't do it anymore. It is just different. I put it right on the line. I am a pharmacist. I know that you have developed a kind of immunity to certain types of medications. And the economy has developed a certain type of immunity to certain kinds of economic injections or economic policies that we have applied from time to time. One of the reasons I like to be a Senator is that it gives me a lot of independence to shake up the people who are the movers and the shakers. We have got a lot of people who don't want to move and who don't want to shake, they just want to sit in their plush offices and look out over the scene and sigh: "All those youngsters today, they are bad, or they are black, or they are this, or that," and nothing will happen. I don't care whether they are green and purple or striped like a zebra. The fact of the matter is that they are here. And we have got to get at that problem.

And I want to say one other thing. I believe I heard you say, Mr. Barton, and rightly so at one point in your remarks, that there were no jobs to be phased into. There is work to be done, but no jobs to be phased into. What is the economic answer? There are limitations on jobs, that is, in what the private sector provides in terms of jobs. But there is work to be done, all kinds of work to be done. I can take you out and show you enough work to be done so that you will stagger for a year.

I was home over the Labor Day. Every mayor in my State—I don't think there are any of them that haven't been in touch with me—in fact, I have left this room twice to meet with local officials from my home State. What do you think they are down here for? Emergency public works money? I know why. Because there is work to be done. And there is a lot of it to be done. They have got projects running out of their ears.

Of course, they are trying to find out how they can write up proposals so that one of these Federal agencies will come in contact with them, because these is a certain kind of parlance, verbiage, that you have to add. I learned some of that so that I can give them a little advice, I can make it so good that somebody will be impressed in Chicago at the regional office. But the best way to impress them is to say, give me your proposal, I will take it right down to the desk and stand over their adviser down there until he says yes. That is the only way to get it done. That mail system doesn't work. You have got to go down and jam it down their throats, so you put it on his desk. And I have had to do this as a man in public life.

But my point is, I am weary of hearing that there aren't jobs. There are jobs. Jobs are what you create. You get jobs by investment. What kind of investment? Hopefully private investment.

I was a private entrepreneur. I believe in profit. I don't believe in running on the poverty ticket. I went around and tried to prove I was the poor man's candidate in West Virginia. I lost my shirt. I would rather just be the candidate of the people that like all the good life.

I love the good life. I love all the pleasures of life. But I know this,

if the private sector can't provide jobs, then somebody else has to do it. And that is what Government is for.

And this is all a tape, my tape repeating it time after time. I have no compunction whatever to suggest that it is the duty of Government, Federal, State and local, to provide for people if people cannot provide for themselves. And that is exactly what we are doing today. What we are doing today is giving them food stamps, giving them welfare, giving them unemployment compensation. And we have adulterated and violated the principles of unemployment compensation so much that I doubt that we will ever be able to put it back together the way it was really intended to be. It has become a permanent kind of income maintenance program, which it wasn't ever intened to be. It was intended to be a temporary insurance program to tide us over between jobs.

[Off the record discussion.]

Chairman HUMPHREY. We need you to go talk to Business Week, to the Wall Street Journal in New York, and Barron's Weekly. Because what you say here, if you believe what you say, isn't what is being reported to the American people. The American people are being conned into believing that there is nothing we can do about youth unemployment. And they are being told that we spend too much.

Now, on the Neighborhood Youth Corps, that program has one merit if it has no other. And I go back to what I said before. It gives something to do, though not as much as I like. It can work well. I have seen it work well. And I have seen a baseball field constructed under the Neighborhood Youth Corps, a softball field, and tennis courts in my home town. I saw them put together with a little local ingenuity in a little old town of 600 people. And they had the Neighborhood Youth Corps for two summers, and they have taken those kids off the street.

You know what those kids used to be doing? They were in jail over in Buffalo. The sheriff was rounding them up every other week. Today they have built something, they can go out there and look at it and they see the playing field that they built.

They are building campsites. I know that they can do it.

Of course, as I told them, they are most likely violating the law a little bit, but I gave them absolution. I said, go ahead, we are going to get it, done, and we will keep these characters out that are trying to obstruct you, let's get it done and put those kids to work. And we have put it together. But it takes some doing. You just can't sit up here and scratch your head and hope it is going to happen. Somebody has to get out there, as one of you said, and manage it. There has to be management, supervision.

Much of the problem in the Neighborhood Youth Corps—Mr. Flaherty was here awhile ago, an excellent mayor, and he told us—all at once the mayor is presented a package of money, it is announced in the paper that there are so many jobs, and he is supposed to put them to work tomorrow. It is impossible, absolutely impossible.

The public service job program: We had public service jobs, but we didn't have any materials. We tried to amend the law. I think we finally did get it amended so that some of the money for public service jobs could be used maybe to buy a bag of cement. And my point is, there is work to do. And I am going to spend 6 years, if the voters are

willing and the Lord, raising unshirted Cain in this city until we get at this problem. Because I am convinced as my name is Hubert Humphrey that if in 5 years we are not doing better with the youth unemployment problem we are going to have guerrilla warfare in the cities. We have been paying them off just like we used to pay off Al Capone in Chicago. He would give you peace and quiet, too, if you paid him off. That was what it amounted to, give them a little money and pay them off. If you don't take care of them they rip off somebody. And that is the way it is happening. There is no way you are going to keep these young people idle and silent, no way.

And maybe you can help out. I think that some of you are being consulted by the President, and the man that wants to be President, and a few of those other good folks around here. I want to put in this record, if we don't improve the youth employment program in this country in the next 5 years, I predict that you will have trouble in the inner cities, the major metropolitan areas. I also predict that youth crime in rural areas will double. It is already doubling. It is incredible. But you know they don't like to hear that out in the rural areas, because the county commissioners like to believe it is pristine purity out there with all the work ethic and all.

And it is nice. I have lived in the rural area, and it is very nice. But I have seen what vandalism can do. Kids from good families, they are as white as the snow, Norweigian, Scandanavian, Irish background, they attend church and they raise hell during the week. And I understand why. I am not critical. As a matter of fact, I am very understanding. There isn't anything else to do. Why not? They like television, and they don't have them. So they go get them. They like stereos. And not only that, there are always some people who will buy televisions and stereos.

Look what we have been reading about in the District of Columbia here on the heroin program.

And the question I think that needs to be put to each of you is the relationship between youth unemployment, alcoholism, drug abuse and street crime.

Now, what is the evidence? Do we have it in Europe, Mrs. Reubens?

Mrs. REUBENS. Yes, there has been an increase that has gone along with the increase in unemployment. But I think we shouldn't minimize the ability of fully employed youth to be delinquent in their off hours; even with full employment we have delinquency and crime problems. Unemployment tends to intensify such problems and this is always cited as one of the reasons for instituting employment programs rather than simply paying maintenance money to youth.

Chairman HUMPHREY. I think our living style today lends itself to much more permissive standards, which in turn is sometimes interpreted by others as forms of delinquency. It isn't that the standards are necessarily related just to youth.

What is the name of the gentleman who is conducting a study over in Johns Hopkins University?

Mr. BARTON. Mr. Harvey Brenner.

Chairman HUMPHREY. Are you familiar with his work?

Mr. BARTON. Yes.

Chairman HUMPHREY. I understand that his study reveals a very close relationship between the social problems and the youth unemployment.

Mr. BARTON. I just happen to have finished a small survey of the research for HEW in that area. And the evidence to show a relationship between unemployment variations and adult crime is very clear. Unfortunately the statistics are collected in such a way that for that critical group of age 18 to 21, who are still youth, but beyond the juvenile delinquency period which is defined by law as 10 to 17, the data is not there to put the relationship to the test for that critical age period. And when you look at ages 10 to 17, which are the juvenile delinquency years, you will find the research not to show the same thing as for adults, because at those ages obviously one is judged by how well he or she succeeds within his family and within his school. The occupational identity is not uppermost until about 18 to 21.

Mr. ANDERSON. I think one bit of evidence that can also be added here is the dreadful rate of violence in public schools.

Chairman HUMPHREY. I was just going to ask you about that.

Mr. ANDERSON. Including such deplorable things as rapes of the teachers before the classroom. The National Educational Association has published evidence of the very high rate of violence and vandalism in the public school system, much of it perpetrated by young people who are not enrolled in school. Many of these crimes are committed by older kids who come into the school.

Chairman HUMPHREY. Yes; I have heard of that.

Mr. ANDERSON. And it requires extreme security measures just to protect public school teachers from this sort of thing. In some of the recent contract negotiations the teachers have demanded that provisions be put in for this kind of protection.

Relative to your question, I perhaps should mention that since April of this year I have been privileged to be a member of Presidential candidate Jimmy Carter's economic policy task force. While I am not at liberty at the present to indicate the substance of our discussions, I can say that the question of youth unemployment has been discussed, and discussed in detail, and this is a continuing matter of high priority among the economists who are working with him in this area.

Chairman HUMPHREY. I hope that whatever you are doing you are taking a good look at that neighborhood youth program. Senator Javits, for example, a member of our committee, is a very strong proponent of that program. I have worked with him and we have tried to increase the funds for that program. And really what it amounts to is, if you don't have the right kind of treatment, you do what you can with what is available.

And again I think that much of the weakness of the program is in two areas: The failure to program it over a long enough period of time, and second, inadequate supervision. I think supervision is so important. I am chairman of the Subcommittee on Foreign Assistance, and we work on what we call management supervision. That is what we all say now, when you put that money into Africa or into Bangladesh, what you have got to make sure of is that they have supervision because if you don't do that, it won't work. And we come right back home here and do the same things to ourselves, only we don't even say it, we don't provide it at the levels that we should.

Now, the supervision is there, there are competent people, as was said by Congressman Reuss, very competent people in our local gov-

ernments, in our nonprofit organizations, and surely competent supervision in the private sector. I think it is all a matter of how you construct the program. As Mrs. Reubens was saying, in Europe they actually take the time once the program is legislated. There is a time gap in which there is preparation for la nching the program. Then they may start the program on a limited basis to give it the trial and error imperical testing that is required.

We are going to do some more work in this Congress, Mr. Anderson, Mr. Barton, and Mrs. Reubens. And we are going to ask you from time to time to help us. This committee prepares materials for the legislative committees. I believe that our legislative committees that have worked on this need to get a whole new insight into the nature of this problem, and some new thinking about it.

I really was impressed about what was said here. We put $1.2 billion into NYC; that is the figure I heard this morning. That is quite a bit of money. And there are also local contributions. Now, we have to ask ourselves, and we ought to be asking ourselves, what do we get out of that? It is not just giving somebody work and saying, "well, at least they are at work." That is a minimum. But do they really get any experience that is worthwhile, do they get any kind of instruction and training that you might call preparatory for a better job? I think that with the exception of CETA we see very little of that. I am a strong CETA person. I think the CETA program with its different variations has done quite well.

The big question that we come into—and I won't keep you much longer—with youth employment is the competition with adults. Some of you have referred to this. And one proposal, as we talked about, that has been floating around, is to reduce the minimum wage for teenagers. The evidence relating to that indicates that it doesn't have much beneficial effect in terms of youth employment. But there is a big feeling out there that it does, I will guarantee. Now, if you have a public service job program specifically designed for youth, what kind of work could they do that wouldn't put them in competition with adults who have been breadwinners? Now, some youth are the breadwinners for families, obviously, but most of them are not. So the question comes up, if you had a public job program that was designed specifically for youth, what kind of work could they do that wouldn't take the job away for someone who was willing to work for the same amount of money either in an existing government institution or in the private system?

Would you like to comment on that, Mr. Barton, or Mr. Anderson?

Mr. BARTON. Mr. Chairman, that is one of the very hard problems to the extent that we are talking about the 16- to 19-year olds whose employment situation, as you said earlier, is so much different that they really need to be treated separately from adults as you have in your bill. I would go even further and say that they probably need to be treated separately in the national unemployment measurements as well, because they are a group that is within both education and work; about three-fourths of them over the course of the year and while they are in high school, will have had some kind of casual jobs. So as we create experience opportunities for youth in the schools we want to combine that experience with work, because we think that education now is something which requires experience outside of the class-

room, and we now reach back to John Dewey in that respect. To the extent that we put more experience in the education periods of life, I think we can work out at the local level, on a varying basis, someway to provide those opportunities under the educational umbrella rather than so much on the regular adult work side using more of a stipend approach. There are very many possibilities for that. But as we create public employment opportunities for older out-of-school youth and adults there is the important question of comparability of wage rates. Perhaps there is some new ground that can be broken in creating more productive roles that does lie somewhere in the area of work, but outside the area of regular jobs being performed in which a stipend approach is also applied, depending upon need. Wherever you create public work in regular public agencies, I think we have to recognize that we do now have civil service systems and we have public employee unions, and an awful lot of work that we could do in the thirties was not then work being performed on regular basis that now is somebody's rice bowl.

Chairman HUMPHREY. I know it is a very different ball game. And the comparison between what you can do now and what you could do in the 1930's is like oranges and apples, it is not the same at all.

Mr. Anderson.

Mr. ANDERSON. It would seem to me that the problem of the competition between youth and adults will be very much reduced to the extent that we can achieve full employment. As long as we have large numbers of adults unemployed, it will be extremely difficult to develop any sort of public service jobs program exclusively for youth. So I think that we should always be thinking in terms of reducing adult unemployment and phasing in youth if we want to go that route. I would prefer perhaps somewhat less public service employment for youth, as compared with work study programs. But to the extent that we have public service employment for youth, it is likely to minimize the problem of competition, only to the degree that we have adult unemployment declining.

The next thing is the way we target the youth employment opportunities. I think that the chances for minimizing the competition with adults would be greater if we would expand the range of institutions and organizations capable of providing those public service jobs, for example, to bring in the community based organizations, the private firms and others, so that it is not only the local government. I would think that Mayor Flaherty in Pittsburgh would have a hard time hiring youth when there are adults unemployed. But if you had an OIC and an Urban League and the others who could have some of these slots, the problem of competition could be minimized in the manner in which it is administered.

Chairman HUMPHREY. Mrs. Reubens.

Mrs. REUBENS. Some of the European experiments have gone along this particular line. In Britain they have something called community industry which is based essentially on our youth programs. Canada also has such programs. There is heavy reliance on local authorities which decentralize to voluntary organizations. I think also an approach involving training for youth might be useful. We have to divise different kinds of systems for training youths.

I believe that covers the point. What both of the gentlemen have said could be combined to provide the various alternatives. In the United States we may have been emphasizing public service employment to the exclusion of other opportunities to help youth, especially to cope with the different situations of the various groups of youth.

Chairman HUMPHREY. Very good.

I note Senator Javits may have some questions. I have one more before I must leave you.

One of the arguments that is made to sort of slow us down in our efforts at youth unemployment legislation and programs of any long-range duration—because some of us think the problem has a long-term life to it rather than just a recession based phenomena—one of the arguments is that the baby boom is really over. The baby boom was blamed for the unemployment problem among our teenagers, and there are those who hold that the teenage unemployment problem will naturally go away as the number of teenagers and youths in the population falls.

Now, that may have some merit for white teenagers. The Bureau of Labor Statistics data we got when we prepared these questions estimates a fall in white youth between 16 and 24 years of age in the labor force from 19.2 million in 1974 to 17.5 million in 1985. This is a drop. But that same Bureau points out that the trend among black teenagers is just the opposite, with the number of black youths in the labor force projected to rise from 2.6 million in 1974 to 3.3 million in 1985. When you add to that the evidence that we have had so far, that while there has been some improvement in white teenage employment, there has been a decline of the employment in the black teenagers. In other words, the black teenage unemployment level continues to rise.

I think that the argument, therefore that we can just sort of wait for the birth rate cycle to take care of all this has little or no merit. Do you tend to agree with that?

Mr. ANDERSON. I certainly agree with it. And when you consider where the black teenagers are likely to be, I think that we could see in 1980–1985, with the larger number, heavily concentrated in the inner cities, we are still going to have a problem. But it would seem to me, Mr. Chairman, that we would have a problem legislating on the basis of that interpretation of the issue. For better or for worse I must say to you quite candidly, that I sense in the Nation some bloom off the rose when it comes to developing governmental programs that would have beneficial effects for blacks and other minorities. I think that if the youth employment problems are framed in terms of the disparity effects that it has upon blacks and the Spanish, I doubt if you could get political support for doing very much of significance. That is another reason that leads me to support the notion of a national youth service that would encompass everyone, so that we could get at the differentiation but without the exclusive focus on the minority groups.

Chairman HUMPHREY. I fully agree with that.

Just to round out my commentary here, I am going to ask my colleague, Senator Javits, if he wishes to visit with you for awhile. I have an appointment. And there is a roll call.

As I have sensed it here, there are several points of basic agreement: the necessity of depending a good deal more on our education system,

with modifications in that system toward work study through more career directed education. Try to keep as many of our young people in the school system, with the objective not only of having them in school, but of preparing them for the employment market, at least a partial preparation.

Second, you can't deal with the youth unemployment problem alone, you must deal with the whole subject of employment, and the employment of the employables. And while it is true that the youth area has special features to it, unique difficulties and problems, if you are going to get away from these programs that seem to be competitive, where an adult is afraid he is going to lose a job if you have a youth program, you have to get the economy going at a point where there is really job opportunities available for the eligible adult work force, which in turn of course will absorb a number of more qualified youth.

The next feature that seems to be somewhat in agreement is that we do need to have specialized youth employment opportunity programs within the framework of a full employment or a maximum employment policy. And I think that Mrs. Reubens has helped us here a great deal in noting some of the reasons why there are youth employment problems, because there are factors that have come into our national economy and into our social structure in the last 25 years that are appreciably different than we had in, say, the 1930's or even the early 1940's. And she has added to that that the problem of youth unemployment is not uniquely American, nor are the programs that are being used uniquely foreign. As a matter of fact, they are using many of the same programs we are and different time frames. So different approaches have been outlined here. But the industrialized countries all do have or are beginning to have, severe youth unemployment problems that are related not only to a recession, but to structural difficulties and technological developments.

You have all been here, or most of you have, during our discussion this morning. Does that round out some of the things we sought to bring in this hearing?

Do you feel that way, Mrs. Reubens?

Mrs. REUBENS. Yes, very much.

Chairman HUMPHREY. And Mr. Barton?

Mr. BARTON. It sounds like a good summary to me.

Chairman HUMPHREY. If you have anything else that you feel worth noting, feel free to do so.

Mr. Anderson.

Mr. ANDERSON. I agree with that as a summary.

Chairman HUMPHREY. May I express our thanks on behalf of the committee to you. I must go to an appointment. This is my partner here and senior colleague.

Senator JAVITS [presiding]. I would like to submit questions in writing to each of you. Will you be kind enough to answer them? If there is no objection they will be included in the record. I will give the questions to you now.

The main idea I want to present is as follows: I find that in the United States there is a great gap between the unemployed and learning skills and continuing education. I believe innovations along this line are critical. Let me explain the legislation as I see it.

We are interested in Government. Instead of paying unemployment compensation or welfare, we can grant stipends. What governmental support can we provide for the unemployed, or the people who can't initially get into the work force, though he or she is of age and ready to enter the work force? How can we employ the idea of issuing stipends either for educational purposes or further training? I warn you, however, that a stipend doesn't necessarily improve training. One of the most successful training programs in the United States is the OIC, which is run by the Reverend Leon Sullivan of Philadelphia. This program has no stipend, whereas the manpower training program, which has a stipend, has not been as successful as OIC in training and then, in matching the training to a job. That is one example. Again, I pose the question to you, how can we use a stipend for the purpose of encouraging training or education or both?

Second, how can we most effectively utilize government aid to have business, match training with jobs, lessen the gap between the unemployed and learning skills, and continuing education?

I would appreciate it if each of you would include some ideas on this subject in your answers which you give to the questions I have asked.

If you wish to advance anything now, though my time is very short, please feel free to proceed.

This is what troubles me. How do you get Government into that gap?

I notice the discussion on minimum wage, et cetera, was very lengthy. As the ranking member of the Labor Committee, it is something that has greatly concerned me. Generally, I have stood with the unions, especially in regard to compromising in any material way the minimum wage. I am ready to reevaluate the situation and my stance, if it is really a significant and major factor. I don't believe it is. If you experts believe it is, you could persuade me, although I would be hard to persuade. My mind is worried. Any observations any of you wish to make would be welcome.

Mr. Barton.

Mr. BARTON. Just briefly, sir, on the possibility of educational stipend during adult years, I would hope we would move toward an educational renewal opportunity of about a year for everybody, the unemployed and the people who need to change careers and those who are about to be forced out of jobs because of technological change. There are probably a number of ways that we can move in this direction. One of the possibilities is unemployment insurance, and your approach toward making that more available rather than having the limitation where we now provide about 65 weeks of insurance on the conditions that one does not do very much by way of going to school is a good start there. Also, there are the growing tuition aid plans in private industry which would be supported, and the growing educational brokerage services for adults such as in Syracuse, N.Y., which will help bring opportunities in line with those who want them. These are areas in which we seem to be moving in directions which should enlarge those opportunities.

Senator JAVITS. Thank you.

Mrs. Reubens, do you wish to add anything?

Mrs. REUBENS. There is a question of the legality of turning unemployment compensation to any other use. And I think that constitutes a problem. If I understood your question, it was that you would prefer not to have the unemployment compensation money paid as it is now, but rather converted to other uses?

Senator JAVITS. Exactly, to earn it by doing something that is going to help you get a job.

Mrs. REUBENS. I think that is a very difficult thing in view of the history of unemployment compensation where the only obligation has been to appear to be available and willing to work, and it has been the responsibility of the employment service to provide the test of offering a job. And so I am not sure at that level whether it can be done.

On the other hand, it is possible to create training and education programs which pay either the same or slightly better than unemployment compensation, and to hope to get people off unemployment compensation. The Germans use the unemployment compensation fund to finance training. They make direct offers of a training program to people who would otherwise be on unemployment compensation. But there is no legal requirement that the unemployed must accept training.

Senator JAVITS. That last program, the German experiment, sounds very good to me.

Mrs. REUBENS. Yes. The only trouble is that when they had heavy unemployment recently the fund went broke. Just to pay for unemployment compensation they had to borrow a large sum, and they had to hold back on their training effort. And, of course, they believe that training should be a large scale effort when there is large scale unemployment.

Senator JAVITS. Mr. Anderson.

Mr. ANDERSON. I would like to tie the two together and say that it would be important to clearly distinguish who among the unemployed would be in need of such training. I think the recent evidence shows that over two-thirds of those who are unemployed return to the employer they left, that is, they are unemployed for a short period of time. And those people presumably would not be eligible to participate.

Senator JAVITS. Certainly not.

Mr. ANDERSON. Second, on private subsidies, one of the problems here is to subsidize firms that would hire the right people in the right kinds of jobs with a future rather than subsidizing private industry to hire people in jobs that they otherwise would be hired into anyway.

Senator JAVITS. Thank you all. I am sorry I missed so much of the hearing. Please be assured I will read the hearing report.

The hearing is adjourned, subject to the call of the Chair.

[Whereupon, at 12:45 p.m., the committee adjourned, subject to the call of the Chair.]

[The following information was subsequently supplied for the record:]

RESPONSE OF BEATRICE G. REUBENS TO ADDITIONAL WRITTEN QUESTIONS POSED BY SENATOR JAVITS

Question 1. In a policy paper you contributed to the National Commission for Manpower Policy, on "Foreign and American Experience With the Youth Transition," you warn against the hazards of "an extension of apprenticeship into occupations where it has never existed in the United States and where it is now

disputed in Europe." Since we have been very interested in exploring this type of help to youth training skills, I would like you to detail some of the specific problems that could arise in the U.S. situation. Do you think some of the problems could be mitigated by having apprenticeship programs concentrating in high-technological areas.

APPRENTICESHIP

Answer.

1. Apprenticeships, defined as learning about an entire trade and not just the specific functions required by one employer, is little used in the United States compared with some other industrialized countries, and registered U.S. apprentices are heavily concentrated in the building trades. Whether one approves or regrets this position depends somewhat on the focus. If the focus is on industrial efficiency and progress, the minor position of apprenticeship in most occupations can be accepted easily. Thus, apprenticeship is virtually extinct in Sweden which is undoubtedly closer to the U.S. in management and technologic advance and manpower utilization patterns than some of the countries where apprenticeship is still widespread. If the focus is on a good transition mechanism for new entrants to the labor market, then apprenticeship and its expansion are attractive, but not easy to establish.

2. In view of the decline in apprenticeship openings relative to employment in countries which have been the strongholds of this practice, and in view of employers' complaints about the rising costs of apprenticeship, any U.S. drive for expansion of this practice should be based on a willingness to offer governmental financial support. The rationale for government support here as in the case of parachial schools, is that apprenticeship training reduces the costs of government, financed technical and vocational education. In fact, on this basis, it would be appropriate to consider Federal financial support to employers for other formal on-the-job training programs for new entrants. Such programs should be of a reasonable length, replace school-based courses, and not substitute for pre-existing employer-financed programs. Such support programs are as appropriate in periods of prosperity as in recession. It also is possible to foster apprenticeship places by a system of levies within an industry or trade so that firms which do not train pay part of the costs of those who do offer approved training.

3. The kinds of occupations which are most appropriate for apprenticeship training are those where a wide range of tasks is involved, many different employers or self-employment opportunities are likely, a theoretical component is part of learning the craft and performing the work, and a fairly long period of on-the-job experience of a varied nature is essential. It may help to know that in Germany apprenticeship openings have declined most in the technologically advanced, large-scale industrial enterprises and in banks, insurance companies and similar advanced commercial activities.

Question 2. You have described foreign countries such as Australia, Japan, or those in northwest Europe as believing that full employment conditions and general economic vitality were the key to holding down youth and other unemployment. The low unemployment rates of these countries (from 1960–1974) were achieved under conditions of slow or negative growth of the total and teenage labor force. But the United States, with comparatively high unemployment rates and a relatively low rate of increase of GNP also managed an unusually high rate of job creation.

If a high rate of GNP doesn't necessarily mean that the unemployment rate for youth can be lowered and the rate of job creation may be determined more by society's technological advances and economic sector growth, i.e., services, what are the implications for a full employment policy for the United States?

GNP, LABOR FORCE GROWTH, AND FULL EMPLOYMENT POLICY

Answer. The problem of achieving full employment in the United States undoubtedly is complicated by the rapid growth of labor force, compared with the labor force growth of other countries which maintain full employment. However, as the Australian example shows, it was possible to have a rate of growth of GNP high enough to absorb a fast growing labor force. The reasons for the high rate of growth of GNP clearly were special to Australia and not due to any policy initiatives not considered elsewhere.

There is presumably a GNP growth rate for the United States high enough to reduce unemployment for all groups to tolerate levels. What is not clear is how to achieve such growth rates, and whether such growth rates would insure

enough "good" jobs or enough full-time jobs, given the technologic and economic forces at work in the U.S. economy. Moreover, this way of reaching full employment might very well create many specific labor shortages, other scarcities, and inflationary pressures, as it did in Australia. It is not certain that such a high rate of GNP growth should be sought.

There is an additional problem in that approaches to full employment are likely to lead to simultaneous increases in the labor force because the rising availability of jobs encourages previously inactive women, youth in school, and retired persons to seek work, and leads to increased illegal immigration.

Facing all of these problems, one might adopt the currently unpopular and perhaps unacceptable view that the overwhelming source of new jobs must be the public sector through expansion of its regular operations and job creation. The forecasts and studies for other developed countries reach this conclusion, both as to where job growth will occur and where it is needed. Having reached such conclusions, these countries also worry about the tax and expenditure implications of their findings.

A YOUTH MINIMUM WAGE

It is noteworthy that the increase in the minimum wage to $2.30 in January 1976 did not produce reports of young people who had been dismissed because of the change. In fact, the data available from series published in the Monthly Labor Review suggest that overall the increase had no discernible effects on youth. The following is relevant:

1. Employment: December 1975 and January 1976

Teenage jobs increased from 7,053,000 to 7,138,000, one of the largest monthly increases in the preceding year. Agriculture and non-agricultural industries both increased.

Total employment increased from 85,394,000 to 86,194,000, a smaller percentage increase than youth. (Table 2. Current Labor Statistics: Household Data)

2. Unemployment rates: December 1975 and January 1976

Unlike other age groups, teenagers did show a small increase in unemployment rates between December 1975 and January 1976. However, female teenagers, more subject than males to low wage rates, actually showed a decrease in unemployment rates and this was true for both 16–17 year olds and 18–19 year olds. The fact that only male teenagers had increased unemployment rates between the two months weakens any argument that the change in the minimum wage was the cause. (Table 5. Current Labor Statistics: Household Data)

Although the time frame used here may not be the only possible one and other factors may have offset the adverse effects of the minimum wage hike, the data cited here justify some speculation about the reasons why the increased minimum wage may not have had much impact on youth.

1. Most employed youth in the 18–19 year group, mostly out of school and in full-time work, earned more than $2.30 an hour at the time of the increase and so the issue of replacing them would be irrelevant. If there was not a great clustering of wage rates for this age group at or near the minimum, employers were not being affected by that minimum or its changes, other factors must be determining the wage rates of youth and their relation to adult wage rates.

2. The employed part of the 16–17 year group, mostly in school and working part-time, are subject to a great many arrangements in which the actual hourly wage is not the legal minimum. Baby-sitting, lawn-cutting and other services of this kind are the outstanding example, but even more formal work arrangements evade the law.

3. In an inflationary period, businesses reset to an increase in minimum wage rates as they do to other increases in costs by embodying them in the price structure and passing them on rather than by dismissing workers, unless the firms are extremely marginal. One concrete case known to the author concerns a small company in a highly competitive, labor-intensive, low-wage industry in the South. Using a high proportion of minimum wage labor, this company, almost a year before the minimum wage was changed, adjusted its price schedule for production then beginning so as to reflect the coming rise in labor costs, following the same procedure as it used for raw materials.

4. Some evidence that the fairly steep increase in the minimum wage rate affected relatively few workers comes from data on hourly earnings in December 1975 and January 1976. For all private employment hourly earnings rose by $.04 to $4.72, only slightly more rapid a rise than occurred in the months pre-

ceding and following the legal change. In the lowest paid industries, apparel, leather products, retail trade, and textile mill products, the one-month increase was no more than $.07. It occurred in retail trade where earnings role to $3.47 an hour and where teenagers probably are a larger share of the work force than in any other industry division. All of the increases were part of an upward movement which added $.32 an hour to the wage rate of all production and nonsupervisory workers in private industry from June 1975 through June 1976. (Table 17. Current Labor Statistics: Establishment Data)

Even if the overall effects of the rise in the minimum wage rate may not have harmed the nation's teenagers to any great extent, it is possible that teenagers in particular regions of the country and small communities did experience hardship. However, adults in such low wage areas might also be affected by the imposition of a uniform minimum wage rate across the whole country. The size and diversity of the nation would indicate the desirability of setting a range of minimum wage rates (as of various other kinds of payments which the Federal government sets or pays out). This action might be publicly acceptable and might meet much of the teenage problem.

Given the political sensitivity of the issue over the youth minimum wage differential, it would seem reasonable to defer the introduction of such a measure until harder evidence is at hand to support the assertion that more jobs would be created for 18–19 year old youth under the wage rates prevailing at the time the action would take place. Theoretical and historical studies are of marginal relevance. If only 16–17 year olds in school would benefit, and possibly at the expense of 18–19 year olds or adults, it is questionable whether the measure would be worthwhile.

In any case, if a youth minimum is introduced, it would be desirable to do it at a time when the general minimum wage rate is being increased. The youth rate could then be increased less than the overall rate or left at the old rate. To contemplate an actual decrease for youth in a period when all wage and price movements are upward appears to be unnecessary and unwise.

USE OF UNEMPLOYMENT COMPENSATION SYSTEMS FOR TRAINING/EDUCATION

1. The only cases I know where programs have been considered or instituted to compel recipients of unemployment benefits to accept training posts with employers or in government centers as a condition of receiving benefits are countries (e.g., Belgium, Australia) which finance such benefits out of general revenues and make no attempt to treat the system as insurance. The fact that employers cannot be compelled to accept trainees severely limits such programs in practice, and I know of no large number of benefit recipients who have been transferred to such a program.

2. West Germany uses payroll taxes and worker contributions to finance unemployment insurance, but benefits are not paid out by a regular government department. Rather the system is organized as a tri-partite semi-autonomous public corporation with independent financial and administrative powers. Under these powers, the Fund began to use some surplus unemployment insurance funds, generated in the full employment years, to finance training programs which has been legislated in 1969 and assigned to the agency, then expanded into a manpower agency. People who are unemployed are natural targets for training recommendations, but the receipt of unemployment benefit is not particularly taken into account in choosing trainees, and training allowances are higher than benefits. After the severe unemployment of 1974–75, the Fund was left with insufficient reserves and current receipts to pay benefits, and had to borrow from the central government for this purpose. At the same time there were new constraints on funds for training and retraining which appeared to be needed particularly at that time. The basic idea of using the Fund in this way has not been abandoned; but it may be necessary to levy higher taxes in the future.

3. In regard to the U.S. where the 51 separate laws for unemployment compensation determine the benefit position in the initial period, the most fruitful Federal approach might be by way of qualifying the Federal extensions of benefits, reinsurance or other financial aid to state systems. This would be done by attaching certain requirements for training or education programs as a condition of benefits. However, this should not apply to cases of simple layoff, where benefits are just an interim payment until work with the same employer is resumed. It should be noted that in December 1975, 27.6 percent of claimants for U.I. had been unemployed for 15 weeks or over (Worklife, August 1976,

p. 31). This indicates that the vast majority of beneficiaries leave U.I. before their benefits under the independent state laws run out. The scope for Federal influence would seem, therefore, to apply to a very small proportion of the total recipients, unless state laws are altered.

RESPONSE OF PAUL E. BARTON TO ADDITIONAL WRITTEN QUESTIONS POSED BY SENATOR JAVITS

Question 1. In previous papers, you have posed the real question of youth unemployment as "At what age will employers hire youth for regular full-time jobs of the kinds that adults hold? You cite special studies that show that two-thirds to four-fifths of employers are unwilling to hire young people until about 21 years of age. Have you seen any other evidence that might suggest a possible lowering of that age barrier? Do you have any proposals to solve this problem or do you think it is already determined by the cultural and social mores of the United States?

Answer 1. I have seen no evidence that the age barrier has been lowered. The lowering of it will require collaboration between educators, employers, and unions, particularly through: combining education and work experience so that youth don't end up at age 19 not hired because they are inexperienced; and experiments to determine the relative ability of 18 to 20 year olds to see how accurate employer stereotypes are. Such studies have been made for older workers.

Question 2. You previously have pointed out that the statistics on the "civilian noninstitutional population" leave out a substantial number of youth who have spent a great deal of time in a health, penal or military institution. Yet these groups probably include youths that need special help and training to achieve adult jobs. Do you have any idea of the size of the institutionalized youth population? Any suggestions on what type of data or reports are needed?

Answer. I do not have the statistics available. I believe there was a separate census of that population in 1970 which would contain age breakdowns. As for what we should know about them, I think it would be in the area of:

What kinds of preparation they are getting for a return (or initial entry into) the civilian job market.

What kinds of transition services are offered by the institutions they are in with regard to job information, placement, etc.

What kinds of inter-relationships take place between the institution and the local community organizations in the community the institutionalized youth will return to.

Question 3. One of our witnesses this morning, Mr. Howard Samuel maintained that since the rate of unemployment was so closely tied to education, more attention should be paid to keeping youths in school rather than finding more employment for teenagers.

(1) Do you agree with that point of view?

(2) What changes, if any, in education programs would you suggest to achieve these ends?

(3) Do you think that the educational tie with a decrease in the unemployment could be due also to the explanation that the prefered employment age of 21 has been reached by those who stayed in school rather than dropping out?

Answer. We have many youth who are not yet receiving all the education they want, and I think we still need to remove barriers which limit access. In general, however, I don't think we should keep raising the school leaving age because of our problems of sustaining economic growth.

In recession type situations there are some intelligent alternatives that involve stipends for education and training as an alternative. In the summer of 1975, France offered a stay-in-school stipend as one way of dealing with the lack of jobs that summer for youth.

RESPONSE OF BERNARD E. ANDERSON TO ADDITIONAL WRITTEN QUESTIONS POSED BY SENATOR JAVITS

Question 1. Do you think that having strong examples of youth leadership is necessary for minority youth? If so, can you think of some ways that adults or government can exert some type of influence on minority youth.

Answer. Positive role models are very important for minority youth, especially those from low income groups in the inner city and in rural areas. One especially unfortunate aspect of the urban decay of our cities, and the relentless spread of ghettoization is that many middle income blacks have moved away from the old neighborhoods in search of better living conditions. One would not want to retard these opportunities for upper mobility which are characteristic of the social and economic advancement of all ethnic groups. Yet, many of those who might like to remain in the city are driven out because of poor housing, poor schools, poor public services, and other forms of urban decay. This robs young black youth of contact with upwardly aspiring members of their race, and leaves only the role models of sports figures, and low-life elements such as "Superfly" and "Shaft" as the objects of emulation. Ghetto youth do not see the middle income black doctors, lawyers, business executives, and other professionals as important role models.

There are many ways this condition can be changed, but my preference would be to minimize the role of government in any solution. There comes a time when any group must emphasize self-development and initiative rather than continued reliance on government. The only legitimate role of government in this area is for government to support efforts developed and initiated by voluntary groups in local communities.

One example of such voluntary effort is the organization of a group in Philadelphia called Interested Negroes. This group, formed in 1968 after the dreadful Detroit riots, was initiated by Dr. Perry Pennel, a local black dentist, and several other black professionals and business leaders. I joined the group while still a graduate student at the Wharton School.

Our program emphasizes "motivation through exposure" for young, Jr. high school boys from the inner city. Once each month, a boy will be released from school to spend a day with a black man at his place of work. Throughout the day, the boy will observe the man on his job and will learn what education and training were necessary to obtain such positions. The motivation is enhanced by the fact that most of the men previously lived in the neighborhoods that are now ghetto areas, and are familiar with the problems of achievement in the inner city. One-on-one contact of this type is the best evidence that one can succeed if determined to set clear goals and work hard to achieve the goals. The membership of IN now includes 1,000 black men from a wide variety of occupations including judges, doctors, educators, business executives, and skilled blue-collar craftsmen.

This program has produced many success stories, but two are quite significant. One boy, Charles Turner, was an uninspired student when he first started his IN visitations. He was from a broken home and had no thought of attending college. After several visits with successful black men, he showed visible improvement in his attitude, and over a one year period, his academic performance began to improve. He went on to graduate from high school with honors, and received a scholarship to attend Columbia University. He will graduate this year and enter law school.

Another boy, Gilbert Baez, was a major problem in school when he started IN visitations. One of the members took a personal interest in him and helped put him on a more positive track. Baez markedly improved in academic performance and later excelled in leadership in high school. He was named U.S. Boy of the Year in 1974, and later won a scholarship to Franklin and Marshall College.

Both boys acknowledge the role of IN as the major influence on their outlook at a critical stage in their lives. In addition, school counselors have told us of many other cases the performance of students improved following their participation in the IN program. The difficulty is that the IN organization has suffered from inadequate funds from the very start, and has been unable to expand to reach more than a few hundred boys. We have not sought government funds but have depended solely on foundation grants and private contributions. In fact, because we emphasize the direct contact between black boys and black men, our program has been declared in violation of the antidiscrimination rules, and thus, IN is ineligible to receive federal funds.

The main point I want to emphasize is that because of ghettoization, it is necessary for members of the black middle class to reach back into the inner city to help uplife those who are still there. The main responsibility of government is to help improve the conditions in such areas. Voluntary, self-help through motivation and uplife should remain the responsibility of the minority groups themselves.

Question 2. How much do you think the problems of minority youth in the central cities are a result of the youth's origin in rural society, with skills unsuited to an urban environment?

Answer. Not much! First, the great number of black youth in the central cities of the North and Midwest were born there and did not migrate from the South. This is less true of Puerto Ricans and Chicanos, but even in these groups, high birth rates rather than migration account for most of the population growth in recent years.

Second, even those who were born and reared in the central cities are increasingly unable to qualify for existing jobs because of dreadfully deficient public school systems. In fact, many black youth from southern school systems are today receiving a better education than their counterparts in the urban north. As a result, young black migrants from the south have often gained better employment in the northern cities than blacks born and reared in those areas. Evidence for this may be found especially in heavily industrialized cities such as Cleveland, Detroit, Saginau, Mich., Gary, Indiana, and some others.

Finally, racial discrimination is far more severe than many public officials believe in limiting the opportunities of inner-city minority youth. Often, it makes no difference how well-educated, well-mannered, and cleanly scrubbed a black or hispanic youth might be, he will still be denied an entry level job in many department stores, banks, insurance companies, and other business firms. This is especially true of black teenage girls. In short, the alleged barriers of employment generated by inadequate rural education carried into urban areas does not have much foundation in fact in today's labor markets, and is not a major determinant of urban youth employment problems.

Job Placement Assistance for High School Students

(By Barry E. Stern)*

ANALYSIS

Over the years public concern has shifted from preventing the too early employment of children to seeing to it that they find work when they are ready for it. Nevertheless, the least help is provided to those who need it most. Thousands of public dollars are invested in providing one young person with years of preparatory higher education, but very little is put into seeing what can be done about another's moving directly from high school to work. In no sense has this developed retributively. It's just bad business to which attention is now, belatedly, being given.

Although federal youth employment programs have appeared from time to time during the course of our history, it was not until 1950, some 17 years after the Wagner-Peyser Act created the U.S. Employment Service, that a formal Employment Service (ES) program for youth was begun—a cooperative program with public schools. At best, it was a one-shot service; ES personnel came to the school, registered seniors not going on to college for job placement, and perhaps offered a series of tests and a counseling interview. The number of high schools involved grew impressively, to the point that by 1963 some service was available in 50 percent of the schools with ⅔ of the total number of graduates. During that year the program was credited with the annual placement of a modest 113,000. A peak figure of over 1.8 million placement of all persons under twenty-two years of age was reported for 1966.[1] (The reporting system was corrected in 1970 to record individuals—a significantly lower number—instead of placements.)

With the assumption of higher priorities in the mid-1960's, i.e., the need to place disadvantaged workers and veterans, the Employment Service-School Cooperative Program declined considerably. A 1974 field survey of 24 cities in 9 randomly selected states, for example, indicated that the outstationing of ES personnel in schools was taking place in only five cities.[2] Although in-house survey

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[1] Willard Wirtz, The Boundless Resource, Washington, D.C.: The New Republic Book Co., Inc., 1975, p. 42.

[2] Data supplied by the U.S. Employment Service, Employment and Training Administration, U.S. Department of Labor.

indicated that ES offices in some 100 cities supply schools and other interested institutions with daily computer printouts of the local Job Bank data. But this includes only that information that comes from job orders filed by local employers; and most employers don't use the Employment Service to recruit part-time student employees except for a few limited types of jobs.[3]

Though Department of Labor data show that ES serves a considerable and growing number of youth (1.2 million youth under the age of 22 were placed by ES in FY 1975, compared to 800,000 in FY 1972), these data cannot be disaggregated to show the extent to which ES serves the particularly critical teenage group. Surveys which get placement data from the youth themselves suggest that ES is reasonably effective for those in the twenty-or-over bracket, while it provides very little service to teenagers, especially in-school teenagers. The available evidence indicates that only about one out of six teenagers (16 to 19) looking for work even goes to the Employment Service (ES); among those who are out of school, one out of four visits ES.[4] Among out-of-school teenagers who are employed, only about 4 percent surveyed in January 1973 credit ES with directing them to their present jobs. The overwhelming percentage of jobs obtained are found through friends and relatives (27 percent), or by going to the employer directly and independently (32 percent). Ten percent get their jobs through want-ads, only 6 percent through school placement offices or teachers, and only 5 percent through private employment agencies (10 percent through other means).[5] These Bureau of Labor Statistics data on jobseeking methods employed by out-of-school youth are corroborated by two somewhat older analyses of the National Longitudinal Survey (NLS) cohort of 5,000 young men 14–24 years old. In one study, Kohen and Andrisani found that among June 1969 male high school graduates who had changed employers (in the civilian sector) between the 1968 and 1969 surveys (which were conducted in November), the most frequently used job search methods were through friends and relatives (52 percent) and direct contact with the employer (24 percent). Formal job placement assistance through either school, public, or private employment services helped only 11 percent of these graduates find their new jobs.[6] In another study using the NLS cohort of young men, Saunders found almost identical percentages for types of job search methods used among those who were out of school with less than four-years of college completed.[7]

Students are even less likely than out-of-school teenagers to get help from formal placement services in finding jobs. Again using NLS data for the cohort of young men, Parnes and others found that among teenage students (14 to 19) who were employed in 1966, less than one percent found their jobs through ES or through some private employment agency while 9 percent were helped by the school placement service; 53 percent were aided by friends or relatives; 23 percent went to employers directly; and the remaining 15 percent used want-ads or some other method or combination of methods.[8] A more recent study indicated that only 29 percent of the nation's high school seniors in 1972 felt that schools provided satisfactory job placement assistance, whereas 77 percent believed that schools should help students find jobs when they leave school.[9]

In addition to the fact that neither the school nor the Employment Service provide much job placement assistance to students, neither has much influence on a student's career plans. When a national random sample of high school seniors in 1972, for example, was asked to indicate which categories of persons influenced very much their post-high school plans, parents and friends were the most frequently named (43 and 25 percent) respectively), while only 10 percent named a teacher, 9 percent named a guidance counselor, and 1 percent named a State Employment Service officer.[10] We would hypothesize that ready

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[3] Wirtz, op. cit., p. 43.
[4] Data supplied by the Bureau of Labor Statistics.
[5] "Jobseeking Methods Used by American Workers" (Bureau of Labor Statistics, Bulletin 1886, 1975), Table C–1.
[6] Andrew Kohen and Paul Andrisani, "Labor Market Experience of High School Graduates and Dropouts," Career Thresholds, vol. 4: A longitudinal study of the educational and labor market experience of male youth, (Manpower Administration, Research Monograph No. 16, 1974), pp. 23–24.
[7] David Saunders, "The Company Youth Keep: An empirical analysis of job finding among young men 14–24," Unpublished Ph. D. dissertation, Bryn Mawr College.
[8] Herbert Parnes, et al., Career Thresholds, vol. 1, (Manpower Administration, Research Monograph No. 16, 1970), p. 101.
[9] William Fetters, A Capsule Description of High School Seniors: Base-Year Survey, Washington, D.C.: National Center for Education Statistics, 1974, p. 7.
[10] Ibid., p. 9.

access to job placement services would enable these institutions to have greater influence (hopefully a positive influence) on student's future plans.

As the presence of the Employment Service in the schools decline in the face of rising youth unemployment rates during the late 1960's, the reaction in the public schools was to draw back from the job placement responsibility completely. They already had more to do than they could handle. The counselors continued their college placement mission but accepted beyond that only a nebulous area of responsibility for the development of self-awareness and at most a very general exposure to what work might look like in the pages of the Occupational Outlook Handbook. Job placement was marked, quite understandably, as somebody else's business.

A 1973 study conducted by the American Institutes for Research for USOE concluded that no quantitative data are available on the scope of placement services in the public secondary schools.[11] Though some local school systems like Baltimore and Cleveland do operate effective job placement services, these are not being provided routinely as an important part of counseling and gudiance programs.

The situation has been very different, though, in the technical high schools and in the two-year colleges that grew so in number and size during the last decade, and particularly in the private proprietary trade and technical schools. The better of these have been serious attention to the placement of those who finish their courses. Unquestionably, this is part of their increasing attraction to young people.

At the present time, no USOE programs exclusively support guidance and counseling and placement. However, USOE (categorical) program funds authorized by Titles I and II of ESEA and Part B of the 1968 VEA can be spent on guidance and placement activities at the discretion of the recipient State or local education authority. The aggregate amount of Federal funds spent by state and local education agencies for such activities cannot be estimated precisely with present data, but best guesstimates are in the $20 million per year range.[12]

For a decade now, little effort has been made to bring students who want to work together with people who provide it. Despite the fact that students overwhelmingly believe that schools ought to provide placement assistance,[13] schools have been reluctant to provide it, preferring instead to concentrate their scarce resources on traditional academic concerns.[14] The public Employment Service, also, has viewed student placement as a low priority item, especially when so many adults are out of work. In sum, no institution perceives youth job placement as its responsibility. Despite the unusually and excessively high youth unemployment rates, youth and student job placement has been accepted no better as an unwanted child.

So the superior force of institutional habit has had its victories over good sense. Proposals for new ways to fuse workaday realities and academic processes must, therefore, include consideration not only of (1) how to provide high school age students with going-to-work counseling at least as effective as the traditional going-to-college counseling, and (2) how to give youth job placement at least as much attention as adult job placement, but (3) how to combine these youth counseling and job-placement functions regardless of the minor earthquakes doing so will cause in stratified established bureaucracies.[15]

Federal leadership might well be required to prevent the youth placement function from continually being lost in the cracks. What to do is not the question. There are already several successful school placement models from which to draw. The difficult questions are who should do it and lead it, and how great a federal financial incentive is required?

Compared to other federal human resource programs, the amount of money required to establish placement services in high schools on a widespread basis is

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[11] American Institutes for Research, "Practical Career Guidance, Counseling and Placement for the Noncollege-Bound Student," Palo Alto, Calif.: Unpublished technical report for U.S. Office of Education, Contract No. OEC-0-72-4986, 1973.

[12] Research and exemplary projects in school vocational guidance and placement can be funded under Parts C and D of the VEA, respectively, as well as through NIE.

[13] Fetters, loc. cit.

[14] Of course, there are some exceptions to the rule. Some 3 states require that job placement services be provided to students (Florida, Michigan and Virginia). Others, like Wisconsin, are encouraging LEA's to adopt successful placement practices from demonstration programs, many of them funded by USOE.

[15] Wirtz, op. cit., p. 38.

not large. An expenditure of $50 million, for example, could provide enough professional placement specialists to serve one-third of the nation's high school students (grades 10–12), assuming a ratio of one placement person for every 1500 students. If states or local agencies were to match such a figure on a dollar for dollar basis, two-thirds of the nation's high school students could be served.

As for whether federally subsidized school placement officers should be employees of the Employment Service, the schools themselves, or some other agency like a local CETA agency or an Education and Work Council, we would favor an approach which permits different delivery agencies in different localities. Whatever agency is used to deliver the placement services, the school placement service should coordinate with the Employment Service or other manpower agency contracted by the CETA prime sponsor to do placement work and use it for central referral of job orders. Moreover, any new federal program to support school placement services should take into account ES's concern that these services could well reduce its potential number of placements and hence their budget for the subsequent year, inasmuch as placement credits are the main determinant of an ES office's budget allotment. Possibly, an exception to present ES regulations ought to allow ES to be credited with at least a portion of each placement made by a school placement program.

Another concern in the establishment of school placement offices is the need to continually followup graduates, whether they get their jobs through the school placement program or not. Follow up data should include enough specific occupational assignment and wage data to permit future graduates to assess better their probabilities for obtaining employment in certain fields. The mere accounting of whether a graduate is employed or not and whether this employment is in a training-related field (viz., the federally required vocational education placement form) is not sufficiently detailed to help placement officers with their responsibilities. Possibly, federal aid could be directly tied to conducting sufficiently detailed followup studies of graduates. The cost of such a multi-year follow up does not become so prohibitive when samples of graduates are surveyed rather than the entire graduating class (the present OE regulation calls for the follow up of all graduates for *one* year).

FEDERAL POLICY AND PROGRAM OPTIONS

Having established that job-ready students and recent school leavers need but do not get help in finding jobs, the question is raised who should take responsibility for providing such assistance. Given the fact that no single answer to this question is likely to meet the needs of every community, a more important question is how can easy access to job placement services be assured once a decision is made to provide them. We believe that in the great majority of cases, the access issue is most likely to be solved if the service is located in or somehow through the school. In the first place, locating job placement assistance in the schools puts the service where the clients are, thereby assuring their maximal visibility and use. Furthermore, in-school placement services serve as a link between schools, youth job-seekers and industry. By making the service available to school leavers, i.e., graduates and dropouts, the school remains accessible to the young person even after having left it. Such a link might help many youth adjust to these difficult transitional years. Dropouts might want to drop back in; continued contact with the placement officer could facilitate this. Recent graduates might need help finding or adjusting to a new job, and a familiar person from the school, like the placement officer or some other member of a placement team, might be the best person to provide such assistance.

Perhaps the most important reason for making placement service available through the school (at least in part) is to let both students and school leavers know that the school cares about their future well-being. Such a feeling on the part of students might well create a healthier learning and teaching environment. We would propose, therefore, that the Federal government consider a variety of actions that would encourage localities to provide in-school job placement services to help students, graduates, and dropouts find full-time, part-time and summer jobs. On a spectrum of little to considerable involvement and support, four Federal strategies which would stimulate schools and other local agencies to provide students and school leavers with job placement assistance are considered here: (1) to establish local education and work councils; (2) to provide technical assistance and training; (3) to conduct a large demonstration and comparative evaluation of alternative viable placement models;

and (4) to provide grants to local areas to establish high school placement programs. These can be considered either as mutually reinforcing or mutually exclusive or competing strategies. Strategies I and II include reasonably low cost activities and could be started with discretionary DOL and HEW funds at any time by either or by both agencies. Strategy III would require considerable planning and coordination between DOL and HEW but yet could be accomplished within the framework of existing legislation and appropriation levels. Strategy IV, which is a categorical program requiring the expenditure of several millions of dollars, would require new legislation and appropriations. The strategies are summarized in Chart 1.

Chart 1. OPTIONS TO PROVIDE PLACEMENT ASSISTANCE TO STUDENTS AND SCHOOL LEAVERS

PROBLEM	PROGRAM OBJECTIVE	OPTIONS (From little to considerable Federal involvement and support)			
		Little support →			→ Considerable Support
		I	II	III	IV
Students and school leavers conduct job search in haphazard and ineffective manner. Great majority of students expect school to help them find jobs, but few do.	Provide more job placement services that help students, graduates, and dropouts find part-time, full-time, and summer jobs.	Local Education and Work Councils - Bring together schools local employment service, trade and service organizations, unions, etc. to develop appropriate type of job placement service for students. ($1 million to establish 15-20 Councils) - Earmark special funds for placement services in cities having E-W Council. ($500,000 per city or $1.5 million total).	Federal Technical Assistance and Training - Identify and package effective school placement models in collaboration with interest groups and associations, disseminate information about these models through regional conferences, workshops, etc., and develop public information program to persuade local authorities to adopt a suitable placement model, if not already in place. ($2 million) - Each local Service would designate one placement specialist to be a technical assistance to school-designated placement coordinators in each of 200 major school districts ($4 million) - Develop and test course or module in "Job Search Techniques and Achievement Motivation for Youth with rip or trade and business associations. Disseminate materials and hold regional conferences, workshops, etc. ($4.0 million)	Large Demonstration and Comparative Evaluation of Successful Models - Fund each state to establish and comparatively evaluate 2-3 delivery systems for school placement services: (1) outstationing of Employment Service personnel in schools. (2) hiring of placement staff by LEA. (3) hiring and supervision of placement staff by Education-Work Council, Industry-Education Council, local CETA planning council and the like ($15 million per year for 3 years) - Fund 20 LEAs in areas with high youth unemployment to experiment with the quarter system or staggered vacations so that large numbers of students are not entering labor market at once. ($5 million per year for 2 years)	Grants to LEAs to Establish High School Placement Programs - Program would provide one placement specialist for every 1500 students in grades 10-12. Such personnel would take and list job orders, refer students or school leavers to job openings, solicit jobs from employers, provide job counseling and instruction in job search techniques, conduct follow up studies, and seek assistance from community volunteers. School may choose a variety of delivery systems (see Strategy III) - Cost: Assuming unit cost of $20,000 per specialist: *Coverage of 1/3 of high school students - $60 million. *Coverage of 2/3 of high school students - $100 million *Coverage of all high schools - $150 million NOTE: Federal costs could be reduced by having school district match funds or gradually take over financing of program. If school district already has placement service, they would get funds anyway.

ASSUMPTIONS

All of the four strategies and options or activities within the strategies are generated with a few basic premises in mind. These are derived from previous experience with several placement programs provided by school districts, alone or in collaboration with other agencies. Our assumptions are as follows:

(1) School placement programs won't work unless manpower and education agencies work together to deliver the services. All agencies involved must have clear lines of responsibility; all interagency agreements for the provision of specific services must be in writing.

(2) An important criterion for success of the program is whether the program continues after Federal funds are withdrawn. The Federal concern, therefore, is catalytic, not programmatic.

(3) A Federal program which is targeted on public school students is more likely to continue once Federal funds are withdrawn if gradual and increasing local financial responsibility for the program is built into it from the beginning.

STRATEGIES AND OPTIONS

Strategy I: Establish on a demonstration basis education and work councils in several localities throughout the United States

Description.—Education and Work Councils would be established in 15 to 20 communities. These would attempt to bring several community agencies and

interest groups together in order to provide services which would help students make a more successful transition from school to work. Membership of the Councils would include representatives from the schools, local employment service and other manpower agencies, professional, trade, and business associations, labor unions, service organizations, and the local CETA Planning Council.

It is assumed that these councils would give job placement assistance for youth high priority. Federal guidelines, nonetheless, might suggest that the councils work closely with the schools in taking responsibility for placing all school leavers in some kind of job or further education. In addition, the councils ought to encourage communit institutions to work together in placing students who desire part-time or summe jobs. Special funds might be earmarked to encourage the development of such placement activities.

Cost.—Approximately $1 million would provide professional staff and some administrative expenses for 15 to 20 Councils. DOL has appropriated this sum for fiscal year 1977. An additional $1.5–2.0 million would be earmarked for student placement services in cities having these councils (an average of $100,000 per city).

Implementation.—Identify and select communities which already provide young people with several effective transitional services but yet which need to coordinate better the delivery of such services in order to fill gaps and avoid needless duplication. The National Manpower Institute, under contract to DOL, is in the process of identifying these communities. Their recommendations must be approved by interagency steering committee consisting of the Departments of Labor, HEW, and Commerce.

Arguments in favor

1. An Education and Work Council provides an independent "neutral" mechanism to link schools, employers and manpower agencies. It would help avoid problems that result from invasion of turf when one institution makes isolated decisions and imposes actions on others.
2. Encourages local institutions to pool their resources in such a way as to provide essential services while avoiding duplication of effort. Admits of ready link to CETA prime sponsors.
3. Is not very costly and could be very cost-effective by maximizing the use of existing resources.

Arguments against

1. Creates yet another decision-making layer and encroaches on authority of various institutions. Schools, employers, and manpower agencies would resist giving up "sole rights" to decisions that traditionally have been theirs alone.
2. Important services like placement assistance might never get established because local communities do not have the money or the will to redirect their present resources. Though councils will improve communication between agencies, their effectiveness is unlikely to be great unless they can assure that some new resources will be funneled into priority activities.
3. Diffuses local leadership at a time when all resources should be behind CETA.
4. The scope of such a demonstration effort is not large enough to have the needed impact on communities across the country. Even if councils were successful, most high school students and leavers in the U.S. would remain without job placement assistance.

Strategy II: Technical assistance and training

Three technical assistance and training options are considered here: (1) identification and dissemination of effective models; (2) technical assistance from Employment Service to school personnel in regard to placement; and (3) training of prospective and recent school leavers in job search techniques and achievement motivation. All are thought to contribute to the more effective placement of students, graduates, and dropouts seeking jobs. The three options are not mutually exclusive. Combinations of them could easily form an effective technical assistance package.

Option 1. Identification and dissemination of effective models

Description.—Effective school placement models would be identified and materials describing how to implement them would be developed and disseminated by the Federal government in collaboration with interest groups and associations. Technical assistance and public information programs would be initiated to persuade communities to identify and implement suitable placement models.

For example, regional conferences, workshops, and the like would be held for school placement personnel, administrative staff, and board of education members of districts considering the establishment of expansion of placement programs.

Cost.—Approximately $2.0 million would support the packaging and dissemination of school placement materials, as well as regional conferences, workshops, and the like for school personnel interested in placement.

Implementation.—USOE's Bureau of Occupational and Adult Education and DOL's U.S. Employment Service, would jointly develop this technical assistance and training program under an interagency agreement. They would involve the various professional associations and interest groups as needed. For the most part, the program would be administered out to the ten Federal regional offices by teams of USOE and DOL personnel.

Arguments in favor

1. Much is known already about how to deliver effective inschool job placement services. Developing and packaging materials for dissemination and training could be done easily, quickly and cheaply.

Arguments against

1. Dissemination of information and the provision of training can do no harm, but the problem is too big to be solved by these approaches alone.

Option 2: Technical assistance from employment service to school personnel in regard to placement

Description.—School district would designate a placement coordinator in each high school who would receive technical assistance from the local Employment Security (ES) office. Placement coordinators would be counselors or teachers working with or without community volunteers. Their knowledge and skills in the placement of students would be developed and improved through short intensive workshops followed up by one-the-job consultation with experienced ES personnel.

Each participating high school would receive from ES a daily Job Bank microfiche and a monthly Job Bank Openings Summary.[18] The school placement coordinator would request permission from ES to make job referrals. Permission is either denied or granted depending on the status of the job order. If the placement coordinator makes a referral, the ES is notified so the job order can be posted.

Cost.—Approximately $4 million would support involvement of an ES person working full-time in each of 200 major school districts. In addition, there is the relatively minor cost of the Job Bank microfiche negative (about 10 cents each) and the viewer (reader) which ranges in cost from $50 to $150. These costs could be absorbed by the school district, ES office, or both.

Implementation.—Oversight and general administration of the program would be provided by ES in Washington, D.C. A local ES office which serves a target school district would receive funds for its school placement coordinator once a satisfactory written agreement is concluded with the superintendent of schools. Should a local ES office cover more than one school district, it could designate and receive program funds for additional personnel who would work with the schools. To assure that the schools live up to their end of the agreement, an occasional evaluation audit would check to see whether each high school in the participating school district had designated its own placement coordinator.

Arguments in favor

1. Relatively minor investment by ES could result in considerable job assistance for students if schools cooperate and decide to invest their own funds in the program.
2. Would minimize risk of appearing to interfere in the business of school system and guidance counselors.

Arguments against

1. Would depend heavily on resources from OE or the schools. Schools might be reluctant to participate if there is no financial incentive for them to redirect staff effort to job placements. Schools in general have always been reluctant to

[18] The Job Bank microfiche includes employer information, description of the specific job, wage and benefits, and desired applicant characteristics. The Job Bank Openings Summary lists job openings unfilled 30 days or more by employer title and DOT titles and codes, as well as job opportunities in the same field in other parts of the State as well as in surrounding States.

take on the placement responsibility. It is unlikely that the limited assistance that ES will provide will persuade enough schools to give job placement higher priority.

2. School staff might not adopt a practical labor market oriented approach.

3. Some CETA prime sponsors contract placement services to agencies other than ES.

Option 3: Training prospective and recent school leavers in job search techniques and achievement motivation

Description.—A short course or module would be developed in "Job Search Techniques and Achievement Motivation for High School Students", and would be disseminated to schools by the Federal government with the help of business and trade associations. The course would help students learn how to assess and interpret job vacancy information and occupational information, prepare resumes and required employment forms, conduct themselves at personal interviews, make direct contact with employers and unions, assess and convey to others one's job-related skills and personal strong points, assess employer needs and market one's assets to fill those needs (i.e., creating a job for oneself), become self-employed if one wants to, relate further education to one's subsequent employability (if one wants to) and motivate oneself to seek, find, and make the most out of employment opportunities when they arise. Technical assistance and public information programs would be initiated to persuade communities to conduct such courses. For example, Federal regional offices would conduct conferences, workshops, and the like for school and other community personnel who might want to conduct or organize such a course in their respective communities.

Cost.—Approximately $4.0 million would support the development and testing of the course or module, the dissemination of materials to schools, and the regional conferences, workshops, and the like for school and community personnel interested in placement.

Implementation.—The Department of Commerce (DOC) would develop this program in collaboration with USOE and with various national trade and business organizations. A written agreement would specify the particular responsibilities of the respective agencies. For the most part, the program would be administered out of the 10 Federal regional offices by teams of USOE and DOC personnel, who would work closely with local business groups and school authorities.

Arguments in favor

1. Provides a constructive, challenging, and cost effective way for business community to become involved in helping youngsters make the transition from school to work.

2. Course can be developed easily and quickly because of ample supply of materials and experience.

Arguments against

1. Provides opportunities for recruitment or proselytization by particular company if its personnel are involved in teaching course.

2. The job search problem among youth is too big to be solved by this approach alone. While such a course will help some youth become effective self-starters in finding jobs, the basic placement activities of job order taking, referral, etc. are still needed to give the majority of young job-seekers a clue about where to start.

Strategy III: Large demonstration and comparative evaluation of successful models

Two types of demonstration options are considered here: (1) state grants to demonstrate and comparatively evaluate three alternative school placement delivery systems; and (2) LEA (school district) grants to demonstrate a high school scheduling system with staggered vacations. The two options are not mutually exclusive.

Option 1: State grants to demonstrate and comparatively evaluate three alternative delivery systems for school placement

Description.—Each state would receive Federal grants to demonstrate simultaneously two or three delivery systems for school placement in different communities within the state. The delivery systems include: (1) outstationing of

Employment Service (ES) personnel in the schools, (2) hiring of placement staff by the LEA, and (3) hiring and supervision of placement staff by a multi-agency consortium or council (e.g., Education and Work Council, Industry-Education Council, CETA Planning Council, etc.). A carefully-planned assessment effort would compare the effectiveness of each model.

Communities within the state would select which of the approaches they wish to try, based on their own interests, needs, and circumstances, and would submit their application to a state committee composed of the Chief State School Officer, the State Director of the Employment Service, and other appropriate officials appointed by the Governor. This state committee would recommend and the Federal government would approve a test of at least two of the three delivery systems in 2–3 communities in the state.

Cost.—Assuming that annual grants will range from $200,000 to $500,000 per state, the precise amount depending on the number of secondary school students in the state, or an average of $300,000 per state per year, a three-year demonstration program would cost $15 million per year or $45–50 million total. Local resources and personnel could be used to supplement these Federal grants.

Implementation.—The program would be jointly administered and funded by DOL's Employment and Training Administration and the U.S. Office of Education. A written agreement would spell out the program responsibilities for each agency. Federal staff would develop guidelines and standards which would have to be met by each local community or school district receiving a grant. While an interagency state committee appointed by the Governor would select the successful applicants, and conduct the evaluations, the Federal regional offices of DOL and USOE would have to approve the state selections and would conduct audits of the grantees to assure proper expenditure of funds.

Arguments in favor

1. Falls short of massive funding of school placement services while implanting the idea that these are worthwhile and that the state should be creatively systematic in selecting the approach or combination of approaches that are most suitable for communities within the state.
2. Forces state and local manpower and education agencies in the state to work together in developing acceptable proposals and evaluation designs.

Arguments against

1. Though state may submit its 2–3 community proposals for Federal funding, it still might not give school placement services sufficient priority and visibility. The problem of unassisted school leavers is too big to be resolved by giving select communities "seed money" to develop their own delivery system.
2. State might not recommend the best community proposals for funding and use grants as a means for achieving political leverage or patronage.

Option 2: Grants to LEAs in high youth unemployment areas to demonstrate feasibility of high school scheduling system with staggered vacations

Description.—LEAs in areas with high youth unemployment would apply for grants to demonstrate the feasibility of the quarter system or staggered vacations for its high school students. The purposes of the grants are threefold: (1) to see whether the youth unemployment rate could be lowered by not having so many students looking for jobs at one time as they do during the summer; (2) to increase the likelihood of students finding jobs related to their career plans, if they have such plans and want career-related work; and (3) to see whether the transition to the staggered (summer) vacation schedule can be accomplished without significantly increasing costs to the school nor detracting from the academic program. Grants would pay for additional administrative costs needed to make such a scheduling transition, as well as a thorough evaluation of the labor market and academic consequences of making such a transition.

Costs.—Assuming that grants averaging $200,000 would go to the 20 LEAs submitting the best proposals, and a 20 percent add-on for Federal administration and evaluation of the program, $5 million would be needed to carry out this demonstration program.

Implementation.—The program would be administered by either the Bureau of Elementary and Secondary Education or the Bureau of Occupational and Adult Education in USOE. The Commissioner would direct that research funds administered by both bureaus (ESEA Title III and VEA—Part C) be tapped to fund the program.

Arguments in favor

1. Provides a large-scale test of a proposal made many times yet infrequently tried and evaluated, particularly in high youth unemployment areas.
2. Puts funds into LEAs where such a scheduling transition is most likely to do the most good.

Arguments against

1. Many high school plants, especially those in poor or depressed areas, are not equipped with air conditioning which would make it tolerable to provide classes to 50–75 percent of the enrolled students during the summer.
2. Such scheduling revisions have been tried before with no particular benefit to the school. (The purpose of these revisions, however, was to save the school money. The youth employment and work experience motives for scheduling changes have not been investigated to any great extent.)

Strategy IV: Grants to local areas to establish high school placement programs

Description.—Federal funds would provide professional placement specialists to work in the nation's high schools. There would be one full-time equivalent (FTE) placement specialist for every 1500 students in grades 10–12 and (using the Baltimore City School Placement Program as a model) one central placement staff person for every nine placement specialists working in the schools themselves. Such personnel would take and list job orders, refer students or school leavers to job openings, solicit jobs from employers in both the public and private sectors, provide job counseling (both before and after finding job) and instruction in job search techniques, conduct follow up studies, and work with a placement team in schools consisting of counselors, vocational education and work-study personnel, and community volunteers. Job Bank and the Job Bank Openings Summary would become available through the Employment Service to every high school participating in this placement program.

Placement assistance would be aimed mainly at helping school leavers (graduates and dropouts), who want to enter the full-time labor market, but students who want part-time and summer jobs would be served, also. In addition, placement personnel could help find slots for students participating in cooperative and other work study programs. Optional features would be (1) to permit graduates and dropouts to use the placement service for up to two years after leaving school, and (2) to permit private school students to make use of the services located in the public schools.

Cost.—Yearly Federal expenditures would depend on the extent of school coverage with placement personnel. Assuming (1) one FTE placement specialist for every 1500 public high school students in grades 10–12; (2) one central office staff person for every nine placement specialists working in the schools; (3) about 10 million public high school students in grades 10–12 at any one time; (4) an average unit cost of $20,000 per placement specialist (salary and expenses); and (5) that the school district will cover the costs of providing (placement) office space and equipment:

$50 million would provide placement services to ⅓ of the nation's public high school students; approximately 2,200 placement specialists would cover 3.3 million students.

$100 million would provide services to ⅔ of public high school students; approximately 4,500 placement specialists would cover 6.7 million students.

$150 million would provide services to all public high school students; 6,700 placement specialists would cover 10 million students.

The Federal cost, obviously, could be reduced by having the school district match Federal funds with its own funds, or by gradually reducing the size of the Federal stipend over a period of 4–5 years until the program is supported totally by local-state funds. If a school district already provides placement services, it would remain eligible for Federal funds, nonetheless, so long as its program met the Federal guidelines and standards.

ALTERNATE IMPLEMENTATION PLANS AND CORRESPONDING LEGISLATIVE AUTHORITY FOR JOB PLACEMENT SERVICES

Option 1. Station employment service personnel in schools

Precedents for stationing ES personnel in schools or using ES counselors to lend technical assistance to school counselors date back many years. The largest outstationing of ES personnel in schools occurs in New York City, where SE

operates placement services in over 50 high schools (see Exhibit 1). More recently, Wisconsin has initiated a state-supervised or coordinated program which stations ES personnel in high schools who work with school personnel on placement teams. The program requires joint decision making by the Department of Public Instruction, the State Job Service, and the LEA. The largest ES technical assistance program for school counselors is in California, where ES conducts an 8-week summer program and a liaison program during the school year. Both programs train high school counselors in placement and employment counseling techniques, labor market information development and utilization, and employer relations.

Notwithstanding the New York City, Wisconsin, and California experiences, the ES-School Cooperative Program, which reached its zenith during the early 1960's, has been scaled down considerably during the past decade because of other priorities, e.g., providing more and better service to disadvantaged clients. Revival of this program could be done under the Wagner-Peyser Act; or Title X–B of the Education Amendments of 1972, which has not yet been funded. The mere provision of Job Banks to schools is authorized under Wagner-Peyser.

Arguments in favor

1. Assures staff oriented to realities of the labor market.
2. Avoids "turf" fight because institutional lines of responsibility would be clearly demarcated. ES has had several previous agreements with schools to provide job placement assistance. For the most part, these ES–School Cooperative programs were well-received by the schools.

Arguments against

1. ES might not be familiar with the needs of the schools.
2. School guidance counselors might resent presence of placement personnel, especially if from another agency and "imposed" by Feds.

Exhibit 1.—Cooperative employment service—school program, New York City

Goal.—To assist prospective dropouts and work-bound seniors—primarily in schools with high proportions of non-college bound pupils—to choose and enter suitable occupations, both part-time and regular full-time.

Students served.—Students in 52 selected high schools with high minority populations, most of whom are work-bound. In fiscal '74, the number of pupils seeking assistance through this program was 24,185. The number of job placements was 13,435, most of which represented individuals placed.

Staff.—All staff are Employment Service staff, directed by an Employment Security Superintendent. Professional staff consists of 51 employment counselors and placement interviewers.

Funding source.—New York State Employment Service.

Materials, facilities, and support.—The Superintendent in charge of the Cooperative Employment—Service School Program is housed in the headquarters office of the Metropolitan Area Employment Service. The counselors and interviewers are assigned to, and work in the high schools. Testing and counseling services are provided to those who need such services, and comprehensive labor market and occupational information is provided. Employers who utilize the service are mostly large employers (500 + employees). Except for new employers who are added each year, most employers served are regular users of the program. There is a waiting list of schools who wish to participate.

3. Limited influence on school counseling and curricula.
4. Possible danger of perpetuating the college-noncollege class system, in which college-bound students see their counselor while noncollege-bound students visit the placement office.
5. Some CETA prime sponsors contract placement services to agencies other than ES.

Option 2. Fund largely through school agencies with placement personnel selected by schools

Models of school-based placement services have emerged over the years and are now in operation in several cities. These include Baltimore, Fort Worth, Houston, Cleveland, and Akron. (The Baltimore program is described in Exhibit 2.) In the Baltimore model, the Placement Department Head and three coordinators are housed in the central office of the school district, and 25 other placement coordinators are stationed in the individual secondary schools. The school's

placement department maintains close relationships with employers in the Baltimore metropolitan community and with such agencies as the Voluntary Council for Equal Opportunity, the Joint Apprenticeship Training Committee, the Labor-Education Apprenticeships Program, Model Cities Programs, and Neighborhood Youth Corps. Very close cooperation is maintained with the Maryland State Employment Service which has developed a computerized Job Bank of employment opportunities in the Baltimore area. Continuous liaison is maintained between the placement coordinators and the school counselors.

The legislative authority for replicating a Baltimore-type model in several cities could be the Vocational Education Act of 1963 (as amended in 1968); Title X–B of the Education Amendments of 1972. DOL funds could also be used to provide increased placement services by educational institutions; CETA Title I could be used if Prime Sponsors so decide.

Arguments in favor

1. Fosters responsibility for this activity in schools.
2. Placement personnel are more likely to be accepted by other school staff if they are hired and supervised by the school administration. Less friction.

Arguments against

1. School-selected placement personnel less likely to be knowledgeable about the labor market and in touch with employers.
2. The difference between placement and counseling is less likely to be understood if the schools have complete control over the program. If counselors are assigned as placement coordinators, as they are likely to be in a school-run program it is important that they do not give short shrift to the mechanical tasks of job order taking, referral, and job solicitation. Regardless of who is selected to perform these tasks, they must be performed in addition to whatever counseling and personal assessment services are provided.

Exhibit 2.—Baltimore placement services program outline[17]

To assist students in finding permanent, part-time, and work-study job placements commensurate with their abilities and interests.

Students served.—All students in the Baltimore public secondary schools. Some 8,000 students graduate each year. About 4,000 of these seek assistance of the placement service and of these, 3,000 (75 percent) are placed. Work-study students see the coordinator briefly each week. Other students see the coordinator briefly on the average of twice a year.

Staff.—The Department Head of Placement is a professional counselor. There are 38 job placement coordinators, some of whom are counselors; the majority have work experience outside education.

Funding source.—85 percent local funds, 15 percent federal funds.

Materials, facilities, and support.—The Department Head and three coordinators are housed in the central district office. All other coordinators have offices in the schools. A variety of occupational material is available to students at the coordinators' offices, as well as materials that the coordinators have developed for contacting students and employers. In addition to working with the employers in Baltimore, close cooperation is maintained with civic and community organizations.

Student activities.—Students are acquainted with the services of the placement office through assemblies and class meetings. Many students also participate in job readiness sessions taught by the coordinators. All students who seek placement are interviewed by the coordinator, and efforts are made to place the students in suitable jobs.

Contact person.—Miss Lillian Buckingham Department Head, Placement Services, Baltimore Public Schools, Baltimore, Maryland 21218.

Option 3.—Fund local multi-agency consortium or council to arrange for placement services

Each school district would be invited to form a multi-agency consortium or council which would either take responsibility or deter such responsibility to the school or local ES to hire and supervise placement personnel. The consortium or council would have representatives from schools, manpower agencies, CETA,

[17] Reported in detail in Report No. AIR–346–6/73–TR of the American Institute for Research.

labor and industry (e.g., Education and Work Councils, Industry-Education Councils, CETA Planning Councils, etc.). Funds for personnel, general guidelines and approval of plans would come jointly from HEW, DOL, and Commerce.

Legislative authority for this approach could be CETA Title I, if Prime Sponsors could be persuaded to establish and utilize such councils for this purpose, CETA Title III, Wagner-Peyser, VEA 1968; Title X–B of the Education Amendments of 1972. New legislation might be preferable.

Arguments in favor

1. Fosters full-scale linking of key institutions (schools, manpower agencies, employers) at the community level of decision-making and action. Admits ready link to CETA prime sponsors.
2. Avoids problems that result from invasion of turf when one institution makes isolated decisions and imposes actions on others.
3. More likely to assure the hiring of quality placement staff with contacts in the business community. Makes possible, also, the short-term employment of placement staff without getting locked into problem of lifetime employment through tenure or civil service laws.
4. Decentralized decisions on hiring and supervision more likely to be in accord with local realities.

Arguments against

1. Historically, consortia and coordinating councils slow to get underway and become effective. Sometimes this approach impedes decision-making and willingness to take responsibility for something.
2. Creates yet another decision-making layer and encroaches on authority of various institutions. Also, diffuses local leadership and possibly becomes confused with the role of CETA Planning Councils.
3. Difficult to administer from federal standpoint if more than one department is involved (HEW, DOL, and Commerce).

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